



CHALLAN
MTR Form Number-6

GRN	MH002714142201516M	BARCODE					Date	05/08/2015-10:28:19	Form ID		
Department	Inspector General Of Registration			Payer Details							
Type of Payment	Non-Judicial Stamps			TAX ID (If Any)							
	General Stamps SoS Mumbai only			PAN No. (If Applicable)		AAACC8962C					
Office Name	AOM_SBR AND ADM OFF MUMBAI CITY			Full Name		CONCORD ENVIRO SYSTEMS PRIVATE					
Location	MUMBAI					LIMITED					
Year	2015-2016 One Time			Flat/Block No.		101 HDIL TOWER					
Account Head Details		Amount In Rs.		Premises/Building							
0030056201	General Stamps		680500.00	Road/Street		ANANT KANEKAR MARG BANDRA EAST					
				Area/Locality		MUMBAI					
				Town/City/District							
				PIN		4	0	0	0	5	1
				Remarks (If Any)							
Total			680500.00	Amount In	Six Lakh Eighty Thousand Five Hundred Rupees Only						
				Words							
Payment Details				FOR USE IN RECEIVING BANK							
IDBI BANK											
Cheque-DD Details				Bank CIN	REF No.	69103332015080511510			68955072		
Cheque/DD No				Date		05/08/2015-14:12:10					
Name of Bank				Bank-Branch		IDBI BANK					
Name of Branch				Scroll No. , Date		Not Verified with Scroll					

Mobile No. : 9867839000

SHARE SUBSCRIPTION AGREEMENT

BY AND AMONGST

CONCORD ENVIRO SYSTEMS PRIVATE LIMITED

AND

MR. PRERAK GOEL

AND

MR. PRAYAS GOEL

AND

AFHOLDINGS

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SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT IS EXECUTED ON THIS THE 7th DAY OF AUGUST, 2015 (the "Execution Date").

By and Amongst

- (i) **Concord Enviro Systems Private Limited**, a company incorporated under the Companies Act, 1956, as a private limited company and having its registered office at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400051, Maharashtra, India (hereinafter referred to as the "Company");

And

- (ii) **Mr. Prerak Goel**, an adult Indian national, aged about 36 years, and presently residing at 1001 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "Promoter 1");

And

- (iii) **Mr. Prayas Goel**, an adult Indian national, aged about 38 years, and presently residing at 1101 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "Promoter 2");

And

- (iv) **AFHoldings**, a company organized under the laws of Mauritius, and having its principal place of business at c/o Trident Trust Company (Mauritius) Limited, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius (hereinafter referred to as the "Investor").

Promoter 1 and Promoter 2 are hereinafter, where the context so permits, referred to individually as a "Promoter" and together as the "Promoters."

The Company, the Promoters and the Investor are hereinafter, where the context so permits, referred to individually as "Party" and collectively as "Parties."

WHEREAS:

1. The Company is a private limited company incorporated under the Act (as defined hereinafter) and is engaged in the business of providing environmental engineering solutions and services with focus on wastewater treatment & recycling, desalination and solid waste management ("Business"), either directly or through its Subsidiaries.
2. The authorized share capital of the Company is INR 42,50,00,000 (Rupees Forty Two Crores and Fifty Lakhs only) consisting of 50,000 (Fifty Thousand) Equity Shares of a face value of INR 100/-



(Rupees One Hundred only) each and 4,20,000 (Four Lakh Twenty Thousand) preference shares of a face value of INR 1000/- (Rupees One Thousand only) each.

3. The issued, subscribed and paid-up share capital of the Company as of the Execution Date is INR 42,55,600/- (Rupees Forty Two Lakh Fifty Five Thousand Six Hundred only) consisting of 42,556 (Forty Two Thousand Five Hundred and Fifty Six) fully paid-up Equity Shares of a face value of INR 100/- (Rupees One Hundred only) each.
4. At the request of the Company, and relying on the representations and warranties and covenants of the Company and the Promoters hereunder, on the Closing Date, the Investor shall subscribe to the Subscription Shares, and the Company shall issue, allot and deliver the said shares to the Investor, in accordance with the terms set forth herein.
5. The issued and paid up capital of the Company and the Subsidiaries on a Fully Diluted Basis as of the Execution Date is as set out in Part A of **SCHEDULE 1**.
6. The issued and paid up capital of the Company on a Fully Diluted Basis as of the Closing Date is as set out in Part B of **SCHEDULE 1**.

NOW, THEREFORE, in consideration of the representations, promises and mutual covenants and agreements set forth herein and in the Shareholders' Agreement, the Parties agree as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 Definitions. Capitalized terms as used in this Agreement shall have the meanings (a) as indicated in this Clause 1.1, (b) if not defined in this Clause 1.1, as assigned to such terms in the other parts of this Agreement where indicated, or (c) if not defined in this Agreement, as assigned to such terms in the Shareholders' Agreement.

1.1.1 "**Accounts**" means the Financial Statements, as at March 31, 2015.

1.1.2 "**Act**" means (i) the (Indian) Companies Act, 2013 (to the extent notified on the relevant date) and (ii) the (Indian) Companies Act, 1956 (to the extent enforceable on the relevant date) and wherever applicable, the rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.

1.1.3 "**Affiliate**" in relation to a Person:

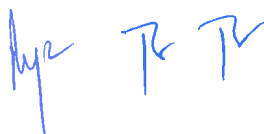
- (a) being a corporate entity, means any entity or Person, which controls, is controlled by, or is under the common control of such Person;
- (b) being an individual, means any entity or Person, which is controlled by such individual or a Relative of such individual;
- (c) in the case of the Investor, without prejudice to the generality of the foregoing, shall include its respective limited partners and any fund or investment vehicle owned, managed, advised, controlled or promoted by the Investor (as the case maybe) or by its respective Affiliates, investment managers or investment advisors;

For the avoidance of doubt, a Competitor shall, under no circumstances be capable of being classified as an Affiliate of any Party/Parties to any of the Transaction Documents

- 1.1.4 **"Agreed ESOP"** shall have the meaning assigned to such term in the Shareholders' Agreement.
- 1.1.5 **"Agreement"** means this share subscription agreement entered into by the Parties, and as amended from time to time, and shall include all the Schedules, Annexures and Exhibits to this Agreement.
- 1.1.6 **"Articles"** means the articles of association of the Company in effect as of the Execution Date.
- 1.1.7 **"Assets"** means assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by the Company, including cash, cash equivalents, securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, patents, copyrights, trade secrets, other intellectual property, raw materials, inventory, furniture, fixtures and insurance.
- 1.1.8 **"Board"** means the board of directors of a company as constituted from time to time.
- 1.1.9 **"Books and Records"** means all financial statements, tax returns, records, files and documents required to be maintained in relation to the Business, Intellectual Property, share certificates, share transfer register, all statutory books/registers of the Company and the Subsidiaries, all minute books, in each case as maintained by the Company and each of its Subsidiaries.
- 1.1.10 **"Business"** shall have the meaning ascribed to it in Recital A.
- 1.1.11 **"Business Day"** means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and Mauritius, in the context of a payment being made to or from a bank in a place other than Mumbai, India or Mauritius, in such other place.
- 1.1.12 **"BWTT"** means Blue Water Trading and Treatment FZE.
- 1.1.13 **"CBT"** means Concord Blue Technology Private Limited.
- 1.1.14 **"CES FZE"** means Concord Enviro Systems FZE.
- 1.1.15 **"CES Mexico"** means Concord Enviro Systems SA DE CV.
- 1.1.16 **"Charter Documents"** means the Memorandum and the Articles, as amended from time to time.
- 1.1.17 **"Closing Date"** shall have the meaning ascribed to it in Clause 6.5.3 of this Agreement.
- 1.1.18 **"Closing"** shall have meaning ascribed to it in Clause 4 of this Agreement.



- 1.1.19 **"Conditions Precedent"** shall have the meaning ascribed to it in Clause 6.1 of this Agreement.
- 1.1.20 **"Consent"** means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called, which is required to be granted by any Person, including any Governmental Authority.
- 1.1.21 **"Competitor"** shall have the meaning assigned to the said term in the Shareholders' Agreement.
- 1.1.22 **"Designated Account"** means a separate bank account of the Company with a scheduled bank to receive the Subscription Amount as required under Section 42(6) of the Act, the details of which are set out in **SCHEDULE 3**.
- 1.1.23 **"Director"** means a director on the Board from time to time.
- 1.1.24 **"Disclosure Letter"** means the letter to be issued by the Company and the Promoters to the Investor containing disclosures to qualify the Warranties in a form and manner acceptable to the Investor, which letter, if the Company and Promoters so choose to provide to the Investor, shall be provided simultaneously with execution of this Agreement and shall include any updates thereto between the Execution Date and the Closing Date.
- 1.1.25 **"Employees Stock Option Plan" or "ESOP"** means any employee stock option plan (including the Agreed ESOP) as formulated by the Company and approved by the Board of the Company and applicable, inter alia, to the employees, including those in the Key Management Team of the Company and its Subsidiaries (including future subsidiaries of the Company), if any, and to such other persons as are eligible, under applicable Law to receive such options.
- 1.1.26 **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, hypothecation, claim, security interest, title defect, title retention agreement, voting trust agreement, option, lien, charge, restriction or limitation of any nature whatsoever (including any restriction or limitation imposed by way of court orders, interim awards, injunctions or any similar order or ruling issued by a Governmental Authority or other judicial / quasi-judicial authority, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement) the purpose of, or which has the effect of, granting security, or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise with respect to any of the above.
- 1.1.27 **"Environmental Action Plan"** means an environmental action plan satisfactory to the Investor that will over a period of time to be defined in the plan, bring the Company's environmental and worker health and safety practices in line with international best practice, including but not limited to, the International Finance Corporation's Performance Standards applicable to manufacturing enterprises.
- 1.1.28 **"Environmental Law"** means any Indian statutory Law, regulation, or other law and legally mandatory statutory guidance and the like in India relating to the environment, pollution of the environment, human health or safety or the welfare of any other living organism which applies to the company concerned, its premises or its activities.



- 1.1.29 **"Equity Securities"** means Equity Shares, preference shares, including, but not limited to, Series A CCPS, any other security in the share capital of the Company, debentures or any note or debt security having or containing equity or profit participation features, or any option, warrant or other security or right which is directly or indirectly convertible into or exercisable or exchangeable for Equity Shares of the Company.
- 1.1.30 **"Equity Shares"** means equity shares in the issued, subscribed and paid up share capital of the Company having a face value of INR 100 each.
- 1.1.31 **"Execution Date"** shall have the meaning ascribed to it in the Preamble.
- 1.1.32 **"Fair Market Value"** shall have the meaning assigned to the said term in the Shareholders' Agreement.
- 1.1.33 **"Financial Investor"** shall have the meaning assigned to the said term in the Shareholders' Agreement.
- 1.1.34 **"Financial Statements"** means the balance sheet, cash flow statement and profit and loss account of the Company and/ or the Subsidiaries on a consolidated basis as well as of the Company and/ or the Subsidiaries on a standalone basis, collectively together with any notes, reports, statements or documents included in or annexed to them, all of which are certified by internal and statutory auditors of the Company and its Subsidiaries.
- 1.1.35 **"Financial Year"** means the financial year of the Company, commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year.
- 1.1.36 **"Fully Diluted Basis"** means that the calculation of shareholding is to be made assuming that (i) all Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), and all outstanding commitments to issue Equity Shares, membership or ownership interests, at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged, (ii) that all unallocated options reserved for issuance under any ESOP have been issued and exercised and (iii) all partly paid Equity Shares (if any) have been fully paid-up.
- 1.1.37 **"Government"** or **"Governmental Authority"** means any government, statutory authority, any department, agency or instrumentality of any government, any court, tribunal or arbitral tribunal, board and the governing body of any securities exchange or any Stock Exchange(s).
- 1.1.38 **"Hazardous Substances"** means any substance used for conducting the Business of the Company and/ or the Subsidiaries that: (i) is or contains asbestos, urea formaldehyde insulation, polychlorinated biphenyls, petroleum or petroleum products, radon gas, microbiological contamination or related materials, or (ii) is defined, listed or identified as a "hazardous waste," "hazardous substance", "toxic substance" or words of similar import under any Environmental Law.



- 1.1.39 **"Indian GAAP"** means the Indian Generally Accepted Accounting Principles, consistently applied.
- 1.1.40 **"Intellectual Property"** means any and all intellectual property or proprietary rights and shall include all rights as applicable relating to any copyright rights, moral rights, trademark rights (including logos, slogans, domain names, trade names and service marks), patent rights (including patent applications and disclosures), design rights, know-how, inventions, brand names, proprietary computer programs and software, manufacturing process rights, and trade secret rights, recognized in any country or jurisdiction in the world.
- 1.1.41 **"INR"** means Indian Rupees, the currency and legal tender of the Republic of India, for the time being in force.
- 1.1.42 **"Investment Amount"** means the aggregate of Subscription Amount and Purchase Amount.
- 1.1.43 **"Investor Nominee Director"** shall have the meaning ascribed to such term in the Shareholders' Agreement.
- 1.1.44 **"IWWTC Share Purchase Agreement"** means the share purchase agreement proposed to be executed simultaneously with this Agreement by the Company, India Waste Water Treatment Company and the Investor.
- 1.1.45 **"Key Management Team"** means the management team of the Company consisting of the managing director, chief executive officer and chief financial officer, head of production and head of technology at any present or future plants of the Company and the Subsidiaries as appointed from time to time, including any persons discharging the roles and powers substantially similar to the aforesaid persons, notwithstanding their designations or any other function head or departmental head and any other employee whose cost to the Company exceeds INR 40,00,000/- (Rupees Forty Lakhs only) per annum.
- 1.1.46 **"Law"** shall include all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, guidelines, policies, directions, directives and orders of any Government, and applicable international treaties and regulations, in force at the relevant time.
- 1.1.47 **"Long Stop Date"** shall have the meaning ascribed to such term in Clause 6.6.
- 1.1.48 **"Loss"** or **"Losses"** means all direct loss, damage, cost and expense, in each case, to the extent that it is directly caused by or derives from the relevant event, fact or circumstances in question, provided that Loss shall not include any indirect loss or damage including consequential loss, loss of expected savings, opportunity costs, loss of business (including loss or reduction of goodwill), and damage to reputation, regardless of whether any or all of these things are considered to be indirect or consequential losses or damage. It is clarified that any Loss caused as a direct result of any Indemnification Event and resulting in a diminution in the value of the Investor's Shares shall be deemed to be a direct Loss of the Investor.



- 1.1.49 **"Material Adverse Effect"** means any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, has had or may reasonably be expected to have a material adverse effect on (a) the ability of the Company and Promoters to consummate the transactions contemplated under the Transaction Documents or to perform their obligations therein, (b) the Company's (or its Subsidiaries') financial condition, assets, operations, results of operations, prospects, liabilities or business as now conducted so as to materially reduce the value of the Company as on the date hereof.
- 1.1.50 **"Memorandum"** means the memorandum of association of the Company as originally framed or altered from time to time in accordance with this Agreement, the Shareholders' Agreement and the Act.
- 1.1.51 **"OCRPS"** means the optionally convertible redeemable preference shares of CBT, each having a face value of INR 100/- (Rupees One Hundred only), and carrying such terms and conditions set out in **SCHEDULE 6** hereto.
- 1.1.52 **"Person"** shall include an individual, proprietorship, Hindu undivided family, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.
- 1.1.53 **"Promoter Share Purchase Agreement"** means the share purchase agreement proposed to be executed simultaneously with this Agreement by the Company, the Promoters and the Investor.
- 1.1.54 **"Purchase Amount"** means the aggregate consideration paid by the Investor under the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement for the acquisition of shares.
- 1.1.55 **"Related Party (ies)"** shall have the meaning ascribed to such term as defined in the Act.
- 1.1.56 **"Relative"** shall have the meaning ascribed to such term by the Act.
- 1.1.57 **"Relevant Facts"** shall have the meaning ascribed to such term in Clause 12.7.1.
- 1.1.58 **"Restated Articles"** means the restated and amended Articles, which shall be to the satisfaction of the Investor and substantially in conformity with this Agreement, the Act and the Shareholders' Agreement.
- 1.1.59 **"Reva"** means Reva Enviro Systems Private Limited.
- 1.1.60 **"RGE"** means Rochem Green Energy Private Limited.
- 1.1.61 **"RGE SPA"** shall have the meaning ascribed to such term in Clause 6.2.18.
- 1.1.62 **"RSS"** means Rochem Separation Systems Private Limited.



- 1.1.63 "**Series A CCPS**" means the Series A fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1,000/- (Rupees One Thousand only, and carrying such terms and conditions set out in **SCHEDULE 4** hereto, in the Shareholders' Agreement and the Articles.
- 1.1.64 "**Shareholders' Agreement**" means the shareholders' agreement proposed to be executed simultaneously with this Agreement by and among the Parties hereto.
- 1.1.65 "**Shareholder**" means a duly registered holder from time to time of shares of the Company.
- 1.1.66 "**Stock Exchange (s)**" means the National Stock Exchange of India Limited and/ or the BSE Limited and/ or any other stock exchange that is mutually acceptable to the Parties.
- 1.1.67 "**Subscription Amount**" means the aggregate amount of INR 33,95,21,478.12/- (Rupees Thirty Three Crores Ninety Five Lakhs Twenty One Thousand Four Hundred and Seventy Eight and Paise Twelve only) to be paid by the Investor towards subscription of the Subscription Shares.
- 1.1.68 "**Subscription Shares**" means 3,762 Series A CCPS.
- 1.1.69 "**Subsidiaries**" shall mean RSS, CBT, Reva, CES-FZE, BWTT and CES Mexico.
- 1.1.70 "**Tax**" or "**Taxation**" means all forms of taxation, duties, levies, imposts and social security charges, including without limitation corporate income tax, wage withholding tax, service tax, dividend withholding tax, value added tax, customs and excise duties, capital gains tax, securities transaction tax and other legal transaction taxes, provident fund contributions, employees' state insurance and gratuity contributions, real estate taxes or other municipal taxes and duties, environmental taxes and any other type of taxes or duties, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in the relevant jurisdiction.
- 1.1.71 "**Third Party**" means any Person other than the Parties to this Agreement.
- 1.1.72 "**Transaction Documents**" shall mean this Agreement, the Disclosure Letter, the Shareholders' Agreement, the Promoter Share Purchase Agreement, the IWWTC Share Purchase Agreement and the Restated Articles.
- 1.1.73 "**Valuation Certificate**" shall mean the certificate issued by a Chartered Account or a Merchant Banker registered with the Securities and Exchange Board of India ("**SEBI**") certifying the fair value of Subscription Shares as per any internationally accepted pricing methodology on arm's length basis as required under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
- 1.1.74 "**Valuation Report**" shall mean the valuation report, issued by a registered valuer being a SEBI registered independent Merchant Banker or an independent Chartered Accountant in practice having a minimum experience of ten years, determining the issue price of the Subscription



Shares as required under Section 62 of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

- 1.1.75 "**Warranties**" means the representations and warranties made by the Company and the Promoters jointly and severally, as set out in **SCHEDULE 2**.
- 1.2 Interpretation. In this Agreement, unless the context requires otherwise:
- 1.2.1 reference to a Party shall include, such Party's legal heirs, executors, administrators, successors and permitted assigns and any Persons deriving title under it, as applicable;
- 1.2.2 references to the shareholding of any Shareholder shall (a) refer to the shareholding of such Shareholder computed on a Fully Diluted Basis, and (b) include the shareholding of such Shareholder's Affiliates holding shares in the Company, if any;
- 1.2.3 words of any gender include each other gender, words using the singular or plural number also include the plural or singular number, respectively;
- 1.2.4 the terms "hereto", "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement and not to any particular clause, article or section of this Agreement;
- 1.2.5 the phrases "ordinary course of business" and "ordinary course of business consistent with past practice" refer to the business and practice of the Company as conducted prior to the Execution Date;
- 1.2.6 the word "including" herein shall always mean "including, without limitation";
- 1.2.7 the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words where a wider construction is possible;
- 1.2.8 the expression "**control**" or "**controlling**" when used for an entity or undertaking in relation to another entity or undertaking shall include ownership or control (whether directly or indirectly) of more than 50% (fifty per cent) of the total voting securities (calculated on a Fully Diluted Basis), whether by shareholding or contract or otherwise or control of, or the power to control, policy decisions and/or the composition of the board of directors of the other entity.
- 1.2.9 whenever this Agreement refers to a number of days, such number shall refer to calendar days, unless specifically provided otherwise;
- 1.2.10 all accounting terms used herein and not expressly defined herein shall have the meanings given to them under Indian GAAP;
- 1.2.11 headings and captions are used for convenience only and shall not affect the interpretation of this Agreement;



- 1.2.12 references to Recitals, Clauses, sub-clauses, Sections, sub-sections, Schedules, Annexures and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses, Sections, sub-sections, schedules annexures and appendices of this Agreement;
- 1.2.13 reference to any statute or statutory provision shall include:
 - (a) all subordinate legislation made from time to time under that statute or provision (whether or not amended, modified, re-enacted or consolidated); and
 - (b) such statute or provision as may be amended, modified, re-enacted or consolidated;
- 1.2.14 no provision of this Agreement shall be interpreted in favor of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof;
- 1.2.15 any reference to an agreement, instrument or other document (including a reference to this Agreement) herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to the terms thereof;
- 1.2.16 time is of the essence in the performance of the Parties' respective obligations; if any time period specified herein is extended, such extended time shall also be of the essence; and
- 1.2.17 the Schedules, Annexures and Exhibits to this Agreement form an integral part of this Agreement.

2. EXECUTION DATE

The Agreement shall come into and be in full force and effect on and from the Execution Date.

3. SUBSCRIPTION

3.1 Initial Funding

3.1.1 In consideration of the Company and the Promoters providing the Investor with the Warranties and the rights contained in the Transaction Documents and subject to the terms and conditions contained in this Agreement (including the fulfillment of the Conditions Precedent to the satisfaction of the Investor), the Investor agrees to subscribe to, and the Company shall issue and allot to the Investor, the number of Subscription Shares for the Subscription Amount ("**Tranche I Investment**").

3.1.2 The Subscription Shares shall be free and clear of all Encumbrances and fully paid.

4. PAYMENT OF SUBSCRIPTION AMOUNT

Subject to the fulfillment of the Conditions Precedent set out in Clause 6 and all other applicable terms and conditions of the Transaction Documents (that are required to be complied with prior to Closing), in consideration of the issuance and allotment of the Subscription Shares, the Investor

shall pay the aggregate Subscription Amount to the Company by wire transfer to the Designated Account. Upon the payment of the Subscription Amount described in this Clause 4, the Investor shall not be required or obligated to make any further payment towards the allotment and issuance of the Subscription Shares. Upon receipt of the Subscription Amount, the Company shall issue and allot Subscription Shares to the Investor (the "Closing").

5. EXECUTION DATE DELIVERABLE

The Company shall deliver to the Investor, simultaneously with the execution of this Agreement on the Execution Date, a copy certified by a duly authorized Director of the Company, of the resolutions passed by the Board of the Company, approving the execution by the Company of the Transaction Documents.

6. CONDITIONS PRECEDENT

6.1 The obligation of the Investor to subscribe to the Subscription Shares is subject to and conditional upon the fulfillment, prior to or simultaneously at Closing, of all the conditions set forth in this Clause 6 ("Conditions Precedent"), unless such satisfaction of any of the Conditions Precedent have been waived or deferred in writing by the concerned Parties (being the Party not responsible for completing the relevant Condition Precedent).

6.2 Conditions to be fulfilled by the Company and the Promoters. The Company and the Promoters shall fulfill the following conditions:

6.2.1 Corporate Actions. The Company shall have undertaken the following corporate actions in the manner required under the Act:

(a) Board resolutions for:

- (i) recording the name of the Investor as the subscriber to whom the Subscription Shares are to be offered;
- (ii) approving the private placement offer letter in Form PAS-4 ("Offer Letter") to be issued to the Investor in respect of the Subscription Shares;
- (iii) approving: (a) the Valuation Report and suggested price for allotting the Subscription Shares and (b) the opening of the Designated Account; and
- (iv) according approval for convening a Shareholders' meeting, to take each of the action(s) described in (b) below.

(b) Shareholders' resolutions at shorter notice, approving the issue of Subscription Shares on preferential allotment basis by way of a special resolution and for the issue of the offer letters in the Form PAS 4.

(c) Issue of Offer Letter. The Company shall have issued the Offer Letter (in writing or in

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electronic mode) along with the application form(s) mandated by Rule 14(1)(b) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Investor in respect of the Subscription Shares

(d) The Company shall have recorded the name of the Investor as the person to whom the Subscription Shares are to be offered, in Form PAS-5.

6.2.2 Accuracy of Warranties. The Warranties shall be true, correct and complete as of the Execution Date and as of the Closing Date, as if made on such date, except to the extent that such Warranties by their terms relate to a specific date.

6.2.3 Designated Account. The Company shall have opened the Designated Account.

6.2.4 No Proceedings. No disputes, proceedings, petitions or claims, or any investigations, inquiries or assessment proceedings by a Governmental Authority shall have been instituted or, to the extent Company or the Promoters are aware, threatened, prior to or on the Closing Date before any Governmental Authority pertaining to the transactions contemplated by the Transaction Documents, the result of which, if adversely determined, would prevent or make illegal the consummation of the transactions contemplated by the Transaction Documents. No Governmental Authority has enacted, issued, promulgated, enforced any statute, rule, regulation, injunction or other order (whether temporary, preliminary or permanent) that is in effect and has the effect of prohibiting the consummation of the transactions or prohibiting any Party from carrying on its business and/ or exercising its rights or fulfilling its material obligations under the Transaction Documents.

6.2.5 Execution of Transaction Documents. All Transaction Documents, other than the Restated Articles, shall have been duly executed, stamped and delivered by the parties thereto.

6.2.6 No Breach. The Company and the Promoters shall have complied with all obligations contained in the Transaction Documents required to be complied with between the Execution Date and the Closing Date, including this Clause 6.

6.2.7 Restated Articles. The form of the Restated Articles to be adopted by the Company on the Closing Date shall have been finalized in form and substance acceptable to the Investor.

6.2.8 Valuation Certificate. The Company shall have obtained a Valuation Certificate.

6.2.9 Valuation Report. The Company shall have obtained a Valuation Report.

6.2.10 The Company shall have delivered to the Investor, an enforceability opinion from legal counsels to the Company and Promoters.

6.2.11 All the shares held by RSS and the Company in RGE shall have been agreed to be transferred to the Promoters, and all actions in relation thereto, including execution of a share purchase agreement ("**RGE SPA**") shall have been duly completed to the satisfaction of the Investor, it being clarified that such transfer of shares shall be undertaken at Closing.



6.2.12 The Company and/ or the Promoters shall have obtained the waiver of India Waste Water Treatment Company in relation to its rights of pre-emption, tag-along right and right of first refusal in the Company pursuant to the shareholders' agreement dated December 4, 2009 between the Company, the Promoters and India Waste Water Treatment Company.

6.3 Conditions to be satisfied by the Investor. The Investor shall fulfill the following conditions:

6.3.1 Investor Nominee Director. The Investor shall have caused the Investor Nominee Director to deliver to the Company the executed consent letter in the format prescribed under the Act and all other relevant documents to be provided under the Act prior to his/her appointment as director in the Company.

6.3.2 The Investor shall have provided a copy certified by a duly authorized Director of the Investor, of the resolutions duly passed by the Board of the Investor, approving the execution and performance by the Investor of the Transaction Documents.

6.3.3 The Investor shall have duly executed the Shareholders' Agreement, Promoter Share Purchase Agreement and IWWTC Share Purchase Agreement; and

6.3.4 All Consents required under the Act to render the Investor's obligations under this Agreement enforceable, legal, valid and binding, whether from any Governmental Authority, Shareholders or any other Person shall have been obtained by the Investor and shall continue to be in force.

6.4 The Investor shall, upon fulfillment of the conditions precedent under Clause 6.3, deliver to the Promoters and the Company, a certificate confirming that the requirements under Clause 6.3 have been satisfied and shall attach thereto, certified true copies of all documents, information and Consents executed, filed or obtained pursuant to the provisions of Clause 6.3 and all documents evidencing satisfaction of such conditions precedent.

6.5 Completion of Conditions Precedent

6.5.1 The Company and the Promoters shall attempt to ensure satisfaction of all their respective Conditions Precedent on or before the Long Stop Date. On the date on which the last of the Conditions Precedent is fulfilled in accordance with this Clause 6, the Company shall, and the Promoters shall cause the Company to, furnish to the Investor a certificate confirming that the requirements under Clause 6.2 have been satisfied and shall attach thereto, certified true copies of all documents, information and Consents executed, filed or obtained pursuant to the provisions of this Clause 6 and all documents evidencing satisfaction of the Conditions Precedent ("**CP Confirmation Certificate**"), substantially in the form set out in **SCHEDULE 5**.

6.5.2 The Investor shall, upon receiving the CP Confirmation Certificate, notify the Company and the Promoters, within 5 (five) days from the date of its receipt, of its dissatisfaction (if any) with the same by way of a letter ("**CP Dissatisfaction Letter**"). Thereafter, the Company and the Promoters shall remove the cause of the dissatisfaction, if any, within a period of 5 (five) days from date of receipt of CP Dissatisfaction Letter and thereafter furnish a certificate to the Investor

confirming the removal of cause of dissatisfaction ("**Revised CP Confirmation Certificate**"). In the event the Investor fails to issue the CP Dissatisfaction Letter within the period mentioned in Clause 6.5.2 above, it shall be construed as deemed satisfaction of the Conditions Precedent on the part of the Investor.

6.5.3 The Parties shall agree upon a date, being not later than 14 (fourteen) days from the delivery of the CP Confirmation Certificate or the Revised CP Confirmation Certificate, as the case may be, (to which no further CP Dissatisfaction Letter has been issued by the Buyer), on which the Closing shall take place or such other date as mutually agreed ("**Closing Date**") and the actions set out in Clause 8 shall occur simultaneously on the Closing Date.

6.6 Long Stop Date. The Company, the Promoters and the Investor shall endeavor to satisfy the Conditions Precedent in Clause 6.2 and 6.3, as applicable, as soon as possible but in any event before the expiry of thirty (30) days from the Execution Date unless such date has been extended by the mutual agreement of the Investor and the Promoters (the "**Long Stop Date**").

6.7 Co-operation. The Parties shall co-operate with each other in good faith and provide all requisite assistance for the satisfaction of any of the Conditions Precedent upon being reasonably requested to do so by the other Party. If any Party becomes aware of anything which will or may prevent any of the Conditions Precedent from being satisfied before the Long Stop Date, the relevant Party shall notify the other Party in writing as soon as practicable.

7. **PRE-CLOSING COVENANTS OF THE COMPANY**

7.1 Between the Execution Date and the Closing Date (the "**Interim Period**"), except as expressly permitted or required by this Agreement or with the prior written consent of the Investor, the Company and the Promoters shall, and ensure that the Subsidiaries shall:

7.1.1 carry on the Business only in the ordinary course of business;

7.1.2 ensure material compliance with all applicable Laws relating to the Business;

7.1.3 not transfer, allot, issue or dispose of any Equity Securities or other rights to purchase or otherwise acquire Equity Securities;

7.1.4 except in the ordinary course of business, not increase any obligations of the Company and/ or the Subsidiaries with respect to any indebtedness, or repay any loans or other amounts outstanding to any Shareholder except under terms of existing contracts so as not to breach the terms thereof;

7.1.5 not pay any bonuses or advances against salaries, or make any other cash payments or other distributions other than in the ordinary course of business;

7.1.6 not modify, amend or terminate any material contract, agreement or arrangement to which the Company is a party. For the purpose of this Clause, material contract, agreement or arrangement shall mean any contract, agreement or arrangement of a value of more than INR 1,00,00,000/-

(Rupees One Crore only);

- 7.1.7 not sell any of its Assets, or merge or consolidate with, or agree to merge or consolidate with, or purchase any or all of the Assets of, or otherwise acquire, any business, business organization or division thereof, or any other Person;
 - 7.1.8 not pass any resolution of the shareholders or Board of the Company and Subsidiaries, which is inconsistent with any provision of, or transactions contemplated under, the Transaction Documents;
 - 7.1.9 alter the number of Directors on the Board of the Company or appoint any additional Directors on the Board of the Company and/ or the Subsidiaries;
 - 7.1.10 remove any member of the Key Management Team or appoint any other Person as a part of the Key Management Team;
 - 7.1.11 not make any amendments to the Memorandum or Articles except as contemplated in this Agreement; and
 - 7.1.12 not agree or otherwise commit to take any of the actions described in the foregoing Clauses 7.1.1 through 7.1.11.
- 7.2 During the Interim Period, the Company and the Promoters shall promptly advise the Investor in writing of any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, has had or may reasonably be expected to have a Material Adverse Effect on (a) the ability of the Company to consummate the transactions contemplated herein or to perform its obligations hereunder or pursuant to any of the Transaction Documents or (b) on the Company's financial condition, operations, results of operations, assets, liabilities or Business as now conducted or proposed to be conducted or (c) a breach of this Clause 7.
- 7.3 The Company and the Promoters hereby agree and undertake that during the Interim Period, none of them shall directly or indirectly speak or discuss, enter into agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise) or solicit with any Third Party or cause their respective agents, representatives, and other persons acting on their behalf to solicit, negotiate with respect to facilities, or accept any offers or enter into any agreements or arrangements for an investment transaction in relation to the Company, including a potential investment in or acquisition of Equity Securities or any prospective investment in a Person similar to the Company or any company/entity of the Promoters or any similar business ventures with the business of the Promoters, except as expressly contemplated hereunder. Provided however, nothing contained in this Clause 7.3 shall apply to the ongoing discussions between the Company, Promoters and Investeringssonden For Udviklingslande or The Danish Climate Investment Fund and which have been previously disclosed to the Investor ("IFU Transaction"). Provided further that no binding commitment and/ or decision in respect of the IFU Transaction shall be taken by the Company and/ or the Promoters without obtaining the prior written consent of the Investor.



8. CLOSING AND ALLOTMENT OF SHARES

8.1 On the Closing Date, the Company shall, and the Promoters shall cause the Company to:

8.1.1 Convene a meeting of the Board of the Company to:

- (a) take on record the details of the bank account from which the Subscription Amount has been received;
- (b) approve the issuance and allotment of the Subscription Shares in accordance with the terms of this Agreement;
- (c) approve the issue of the duly stamped and executed share certificates representing the Subscription Shares to the Investor in a manner prescribed under applicable Law;
- (d) recommend to the Shareholders the adoption of the Restated Articles and circulate a notice to each of the Shareholders, in the manner required under the Articles for convening a meeting of Shareholders at a shorter notice;
- (e) constitute the audit committee and the compensation committee as per the provisions of the Shareholders' Agreement; and
- (f) appoint the Investor Nominee Director(s) on the Board of the Company and RSS.

8.1.2 Convene a meeting of the shareholders of the Company and the relevant Subsidiaries in the manner required under the Act to (i) approve the adoption of the Restated Articles in the form approved by the Investor, (ii) confirm the appointment of the Investor Nominee Directors on the Board of the Company and RSS, and (iii) authorize any Director to make all necessary filings in respect of the appointment of the Investor Nominee Directors, including but not limited to Form DIR-12.

8.1.3 In addition to the above, the Parties shall simultaneously with Closing, ensure completion of all actions required to consummate the transactions contemplated under the RGE SPA, including the payment of consideration to the Company and RSS thereunder.

8.1.4 Enter the name of the Investor in the Company's relevant registers of members as the legal and beneficial owner of the Subscription Shares.

8.2 On the Closing Date, the Company shall cause RSS to convene a board meeting of RSS to constitute the audit committee and the compensation committee as per the provisions of the Shareholders' Agreement.

9. POST-CLOSING OBLIGATIONS

9.1 As soon as practicable, and in any event within a period of three (3) Business Days after the Closing Date, the Company and the Promoters shall deliver to the Investor the following:

9.1.1 Duly executed and stamped original share certificates evidencing the Subscription Shares subscribed to by the Investor;

9.1.2 Certified true copy of the extract of the relevant register of members of the Company, evidencing



the ownership of the Subscription Shares by the Investor;

- 9.1.3 Certified true copies of the Board and Shareholder resolutions passed by the Company in connection with the execution, delivery and performance of the transactions contemplated under the Transaction Documents; and
- 9.1.4 Filing of Form SH-7, Form MGT – 14, Form PAS 3, Form PAS 4, Form PAS 5, Form GNL 2, DIR - 12 and providing duly filed copies of the same (and proof payment for filing of) along-with the certified true copy of the Board resolution of the Company allotting the Subscription Shares to the Investor, the list of allottees, certified true copy of the notice for holding of a Shareholders' meeting under which the offer letters for allotment of shares, the offer records, the Valuation Report and the suggested price were approved.
- 9.2 If the Closing does not occur within ten (10) calendar days after receipt of the Subscription Amount by the Company (or by any date extended by mutual agreement), the Company shall, as promptly as practicable but in any event prior to sixty (60) calendar days after receipt of the Subscription Amount, refund to the Investor the full portion of the Investment Amount paid by the Investor under the Transaction Documents to a bank account designated by the Investor in writing, and thereafter, this Agreement and all other Transaction Documents shall terminate automatically.
- 9.3 The Company and the Promoters shall ensure that the following conditions ("**Conditions Subsequent**") are duly fulfilled to the satisfaction of the Investor (unless such satisfaction of any Condition Subsequent has been waived or deferred in writing by the Investor), unless otherwise specified herein, within 90 (ninety) calendar days following the Closing Date. The Company shall issue a written notice to the Investor immediately (not later than two (2) Business Days from the date of satisfaction) upon fulfillment of the following Conditions Subsequent:
- 9.3.1 The Company shall provide the certified true copy of the foreign inward remittance certificate in respect of the Subscription Amount to the Investor.
- 9.3.2 The Company and the Promoters shall, and the Company shall cause the Subsidiaries to adopt the Environmental Action Plan within 10 (ten) calendar days from the Closing Date.
- 9.3.3 The Promoters shall, within 30 (thirty) calendar days from the Closing Date, transfer the domain names used by the Company and the Subsidiaries in their respective names.
- 9.3.4 The Company and the Subsidiaries shall, within 30 (thirty) calendar days from the Closing Date, make all filings under applicable Law, including but not limited to Form 27 in respect of the Intellectual Property of the Company and the Subsidiaries.
- 9.3.5 The Promoters shall, within 30 (thirty) calendar days from the Closing Date, make all requisite filings with the Indian Patent Office to duly vest the patents held by the Promoters in RSS, such that RSS has the exclusive rights/ ownership to the said patents.
- 9.3.6 The Company shall cause RSS to obtain insurance cover as per the master facility agreement



dated July 21, 2010 entered into by and amongst IDBI Bank Limited and RSS.

- 9.3.7 The Company shall cause RSS to specify in the report of the Board of RSS, within 60 (sixty) calendar days from the Closing Date, the reasons for not spending the amount specified under the Act towards Corporate Social Responsibility activities.
- 9.3.8 The Company and the Promoters shall ensure that the following contingent liabilities provided by RSS are extinguished/ transferred from RSS:
- (a) Corporate guarantee of INR 39,27,00,000 (Rupees Thirty Nine Crores Twenty Seven Lakhs) for RGE in respect of term loan availed from Bank of India;
 - (b) Corporate guarantee of EUR 3.7 million for RGE in respect of term loan availed from Rabo Bank.
 - (c) Corporate guarantee of INR 3,35,00,000 (Rupees Three Crores Thirty Five Lakhs) for RGE in respect of bank guarantee availed from Standard Chartered Bank.
- 9.3.9 Within 180 (one hundred and eighty) calendar days from the Closing Date, the Company and the Promoters shall appoint a chief financial officer acceptable to the Investor and shall take all necessary actions to appoint such chief financial officer, including passing of necessary Board and Shareholders' resolutions of the Company and making all necessary filings as may be required under applicable Law.
- 9.3.10 The Company shall cause each member of the Key Management Team now and any employee hereafter employed by it or by any Subsidiary (or engaged by the Company or any Subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into employment agreements (or consulting agreements) with proprietary rights assignment and confidentiality provisions.
- 9.3.11 The Company shall cause RSS to adopt forms of (i) operations and maintenance agreement, (ii) agency agreement for sale of spares and after sales services of RO plant and (iii) agency agreement for provision of operation and maintenance services, to the satisfaction of the Investor, incorporating a limitation of liability clause.
- 9.3.12 The Company shall within thirty (30) calendar days from the Closing Date, make all requisite filings (including Advance Remittance Form and Form FC-GPR) with the Reserve Bank of India ("RBI") in connection with the issuance and allotment of Subscription Shares in agreed form, and provide a copy of the same to the Investor and procure the RBI registration number and the acknowledgement in connection with the filings so made.
- 9.3.13 The Company and the Promoters shall within thirty (30) calendar days from the Closing Date, cause each of Kolhapur Green Energy Private Limited, Essel Bhubaneshwar MSW Private Limited and Essel Pallavapuram Tambaram MSW Private Limited to take on record the transfer of shares held by RSS in each of the companies to RGE.



10. USE OF SUBSCRIPTION AMOUNT

- 10.1 The Subscription Amount shall be used by the Company for mutually agreed purposes such as capital expenditure, overseas expansion and balance sheet enhancement to support additional working capital, subject to provisions of the Shareholders' Agreement.
- 10.2 At any time after Closing, where the Company proposes to infuse any amount of capital, up to INR 5,00,00,000 (Rupees Five Crores only) into CBT, the Company shall do so by way of subscription to (i) equity shares of CBT, if the Promoters and Mr. Christopher Thannhauser simultaneously infuse a pro-rata amount of capital into CBT at the same valuation as the Company's investment, such that the inter-se shareholding structure of the Company and the Promoters in CBT remains unchanged or (ii) OCRPS, if the Promoters and Mr. Christopher Thannhauser do not infuse pro-rata amounts of capital into CBT simultaneously with the Company.
- 10.3 Subject to the provisions of Clause 10.2 hereinabove, the Company and the Promoters shall ensure that at the time of investment by the Company into CBT, the articles of association of CBT shall incorporate the terms of the OCRPS as set forth in **SCHEDULE 6** to the maximum extent permitted under Law and the Company and the Promoters hereby agree to vote their equity shares and take such other actions as may be necessary to cause CBT to adopt the provisions of **SCHEDULE 6** into its articles of association at Closing, and to make all amendments thereto, including appropriate amendments to the articles of association, as may be required from time to time. Every shareholder of CBT, present and future, shall be deemed to join CBT with full knowledge of the terms and conditions set forth in this Agreement.

11. REPRESENTATIONS AND WARRANTIES

- 11.1 The Company and the Promoters hereby, jointly and severally, represent and warrant to the Investor (subject to the disclosures made under the Disclosure Letter) with respect to the Company and the Subsidiaries that as of the date hereof and the Closing Date, the statements, as set forth in **SCHEDULE 2** hereto are true and correct and not misleading in any manner.
- 11.2 The Company and the Promoters hereby jointly and severally acknowledge that the Investor has entered into this Agreement in reliance of the Warranties set forth in **SCHEDULE 2** hereto.
- 11.3 The Company and the Promoters hereby jointly and severally agree that all statements made as Warranties in **SCHEDULE 2** hereto, are true, complete and accurate and the information contained or referred to in the foregoing does not omit or fail to explain anything that renders any of that information incomplete or misleading. Notwithstanding anything contained herein, it is clarified for the avoidance of doubt that the conduct of a due diligence by the Investor shall not in any manner dilute, limit or qualify the Warranties made by the Company in pursuance of this Agreement. Notwithstanding the foregoing, it is clarified for avoidance of doubt that the Warranties set out in **SCHEDULE 2** shall be subject to the matters specifically disclosed in the Disclosure Letter. It is clarified that the Disclosure Letter provided after Execution Date and prior to Closing Date shall only deal with events/changes that have come to the knowledge of the Company and the Promoters after Execution Date. For the purposes of this Clause 11 and



SCHEDULE 2, "Company" shall include the Subsidiaries, unless repugnant to the context thereof.

- 11.4 The Investor hereby represents and warrants to the Promoters and the Company that:
- 11.4.1 it has the full power and authority to enter into, execute and deliver the Transaction Documents and to perform all actions/steps as contemplated herein and it is a company, duly incorporated or organized and existing under the applicable Laws of the jurisdiction of its incorporation or organization;
 - 11.4.2 it has obtained all corporate approvals as well as all Consents or waivers as may be required for the execution, effectiveness and performance of the Transaction Documents and the transactions contemplated thereby;
 - 11.4.3 assuming the due authorization, execution and delivery hereof by the other Parties, the Transaction Documents constitute legal, valid and binding obligation of the Investor, enforceable against it in accordance with their respective terms;
 - 11.4.4 the execution, delivery and performance of the Transaction Documents by the Investor, and the consummation of the transactions contemplated thereby, will not: (a) violate any provision of the charter documents of the Investor; or (b) violate any court order, writ, injunction or decree of any court or governmental instrumentality against, or binding upon, the Investor or upon its respective securities, properties or businesses or (c) contravene any provision of any applicable Law.

12. **INDEMNIFICATION**

- 12.1 Subject to the terms of this Clause 12, the Company and the Promoters (each, an "**Indemnifying Party**") shall, jointly and severally, indemnify, defend and hold harmless, the Investor, its Affiliates and their respective directors and employees including the Investor Nominee Directors or their alternates (each, an "**Indemnified Party**") against any and all Losses suffered by the Indemnified Party or Loss resulting from Proceedings (as defined below) resulting from or arising out of or incidental to (a) the breach of any Warranty made by the Company and/or the Promoter(s) or (b) any breach of any covenant, undertaking or agreement on the part of the Company and/or the Promoter(s) or any of them, under or pursuant to the Transaction Documents (collectively referred to as "**Indemnification Events**").
- 12.2 Any Losses suffered and to be paid to the Indemnified Party ("**Indemnity Amount**") shall be such as to place the Indemnified Party in the same position as it would have been in had there not been Indemnification Event. For the avoidance of doubt, the Indemnity Amount shall be grossed up to extent of the ownership of the Investor in the Company by virtue of its shareholding only when the Company is paying the Indemnity Amount whether in cash and the gross up shall not be applicable if Promoters are paying the Indemnity Amount whether in cash. For instance, if the Investor holds 10% (ten percent) of the Equity Share capital of the Company and the Investor suffers Losses of INR 100, the Investor shall be entitled to claim an Indemnity Amount of INR 111.01 from the Indemnifying Party. The formula to be applied for arriving at such grossed up amount shall be as follows: Indemnity Amount = Losses suffered by the Investor divided by the shareholding percentage of the Company remaining after excluding the ownership percentage of

the Investor (111.01 = 100 / 90%).

- 12.3 The Indemnifying Party shall be entitled, at its sole discretion, to pay the Indemnity Amount to the Indemnified Party by either (a) making a cash payment within 30 (thirty) days from a claim being made by the Indemnified Party, or if the Indemnifying Party is unable to make such payment within 30 (thirty) days from a claim being made by the Indemnified Party, by: (i) issuing or transferring Equity Securities of the Company by the Indemnified Party or transferring the Equity Securities held by the Promoters in the Company, in accordance with applicable Law representing the Indemnity Amount to be paid to the Indemnified Party; or (ii) adjustment of the conversation ratio accordingly.
- 12.4 With respect to the Equity Securities to be issued/ transferred to the Indemnified Party in accordance with the Clause above, the number of Equity Securities to be issued/ transferred to the Indemnified Party to make good the Indemnity Amount payable shall be arrived at based on Fair Market Value of such Equity Securities. The Conversion Ratio of the unconverted Series A CCPS may be adjusted at the option of the Indemnified Party, on the basis of the Fair Market Value, such that the number of Conversion Shares increases to make good the Indemnity Amount payable to the Indemnified Party ("**Indemnity Conversion Ratio**"). Provided however that in the event the Indemnifying Party pays the Indemnity Amount in cash, to the Indemnified Party, the Indemnity Conversion Ratio shall be readjusted such that the number of Conversion Shares is reduced to the extent of the Indemnity Amount, paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with Clause 8 of the Shareholders' Agreement, if the value received by the Investor as a consequence of the exit ("**Exit Value**") and in respect of the Conversion Shares (reckoned as a result of the adjustment of the Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the Exit Value of the Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.
- 12.5 The rights accorded to an Indemnified Party hereunder shall be in addition to any rights that any Indemnified Party may have under Law or in equity or otherwise, including without limitation rights of specific performance, recession and restitution; provided, however, that the Indemnified Party shall not make a claim for Losses and/or for any claim for which it has already been fully compensated by the Indemnifying Parties in pursuance of this Clause 12.
- 12.6 To the extent the payment by the Indemnifying Party of any indemnification payment pursuant to the provisions of this Clause 12 shall be subject to receipt of approvals from Governmental Authority, the Indemnifying Party shall be responsible for making the application to procure all such approvals and necessary Consents and shall make all applications and take all steps required to obtain the same, provided the Indemnified Party shall provide all reasonable assistance to the Indemnifying Party, as may be required, to obtain such approvals and necessary Consents.
- 12.7 Limitations to the Indemnification Rights of the Investor. Notwithstanding the foregoing, the liability of the Indemnifying Party under this Clause 12 shall be limited as set out below:



12.7.1 Disclosures. The Indemnifying Parties shall not be liable under this Clause 12 in respect of any matters fairly disclosed in the Disclosure Letter, unless specifically covered in specific indemnification under Clause 13 hereof and except in respect of Points 1, 3, 4, 5 and 7 of point b of Part A of Annexure 4 of the Disclosure Letter. The Company and Promoters may provide updates to the Disclosure Letter to the Investor on or prior to the Closing Date effecting such revisions to the Disclosure Letter as determined by the Company and Promoters to be necessary in order to disclose any information concerning an event, fact or circumstance arising after the Execution Date that would otherwise result in a breach of any of the Warranties ("**Relevant Facts**"). If this Agreement is not terminated as permitted by this Clause 12, then the Investor shall be deemed to have accepted disclosure of the information contained in such supplementary Disclosure Letter and the Disclosure Letter as of the Execution Date shall be deemed to be superseded.

12.7.2 No Double Counting - The Indemnifying Party shall not be entitled to payment of any claim more than once, provided however that if any additional Loss is caused as a result of the same facts and circumstances, the Investor shall be entitled to make a claim under this Clause 12 for such additional Loss.

12.7.3 Time Limitations

The Parties hereby agree that the indemnity obligations in relation to:

- (a) the Losses arising as a result of breach of representations and warranties relating to Taxes shall be valid for 8 (eight) years from the Closing Date;
- (b) the Losses arising as a result of breach of representations and warranties relating to title to the Subscription Shares, validity of issuance of the Subscription Shares, shareholding pattern/capitalization structure of the Company or authority to execute this Agreement shall continue to be valid and survive in perpetuity; and
- (c) the Losses arising as a result of breach of all other Warranties, other than as stated in Clause 12.7.3(b) above, shall be valid for a period of 36 (thirty-six) months from the Closing Date.

12.7.4 Financial Limitations - Notwithstanding anything contained herein, neither the Company nor the Promoters shall be obligated or required to pay for any Losses in connection with or arising out of any Indemnification Event unless and until the value of each single / individual claim for Losses exceeds INR 15,00,000 (Rupees Fifteen Lakhs only).

12.7.5 The maximum aggregate liability of the Indemnifying Party shall not exceed the Investment Amount, under any circumstances.

12.7.6 Notwithstanding anything contrary as may be contained in this Agreement, the provisions of Clauses 12.7.3, 12.7.4 and 12.7.5 shall not be applicable in the case of any fraud attributable to the Company, Subsidiaries and/ or to the Promoters and the Indemnified Party shall be entitled to claim, any and all Losses arising from any such fraud.



12.8 The Indemnifying Party acknowledges and agrees that any payments to be made pursuant to this Clause 12 are not in the nature of a penalty but merely reasonable compensation for the Loss that is or would be suffered, and therefore, the Indemnifying Party waives all rights to raise any claim or defense that such payments are in the nature of a penalty and undertakes that it shall not raise any such claim or defense.

13. SPECIFIC INDEMNIFICATION

13.1 Notwithstanding the contents of the Disclosure Letter(s), each of the Company and the Promoters agree that, without prejudice to the other rights of the Investor hereunder, the Company and/or the Promoters shall, jointly and severally, indemnify the Investor promptly for any Losses arising out of or in connection with:

13.1.1 any liability arising as a result of not specifying the price of conversion in the reporting made to RBI in respect of the issue of 4,20,000 CCPS by the Company to India Waste Water Treatment Company.

13.1.2 any tax liability on the Company in relation to the transaction of loans and advances between RSS and RGE.

13.1.3 any adverse decision in respect of the claim made by the Tax authorities vide notice dated March 15, 2014 regarding addition on account of excess premium received on Equity Shares and compulsorily convertible preference shares issued by the Company to India Waste Water Treatment Company.

13.1.4 any adverse decision in respect of the claim made by the Tax authorities vide notice dated March 15, 2014 regarding addition for shares of RSS purchased by the Company at lower than fair value.

13.1.5 any liability arising out of invocation of the corporate guarantees specified in Clause 9.3.8 prior to their extinguishment/ transfer.

13.1.6 any liability arising out of non-filing of Form 27 in respect of the Intellectual Property of the Promoters/ Company.

13.2 Limitations on liability

13.2.1 The Parties hereby agree that the indemnity obligations in relation to Clause 13.1 above shall be valid for a period of 5 (five) years from the Closing Date.

13.2.2 Neither the Company nor the Promoters shall be obligated or required to pay for any Losses in connection with or arising out of any of the events specified in Clauses 13.1.1 to 13.1.6 above, unless and until the value of each single / individual claim for Losses exceeds INR 15,00,000 (Rupees Fifteen Lakhs only).



13.2.3 The maximum aggregate liability of the Indemnifying Party in respect of any of the events specified in Clauses 13.1.1 to 13.1.6 shall be capped at the Investment Amount.

14. TERMINATION

14.1 Notwithstanding anything to the contrary contained herein, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

14.1.1 by mutual written consent of all the Parties hereto; or

14.1.2 at the option of the Investor, if there has been a Material Adverse Effect prior to the Closing Date; or

14.1.3 automatically, if Closing has not occurred to the satisfaction of Parties prior to the Long Stop Date; or

14.1.4 at the option of the Investor, if any Warranty is, or becomes, untrue, incorrect, incomplete or misleading prior to the Long Stop Date;

14.1.5 by the Investor prior to the Long Stop Date, if there is any breach or default by the Company and/or the Promoters in the performance of any of its obligations under this Agreement during the Interim Period; or

14.1.6 by the Investor, if any Relevant Facts are not acceptable to the Investor.

14.2 In the event of termination pursuant to this Clause 14, the terminating Party or Parties shall forthwith give written notice thereof to the other Parties and the transactions contemplated by this Agreement shall be terminated, without further action by any Party.

14.3 Subject to Clause 15, all rights and obligations of the Parties under the Transaction Documents shall cease immediately upon termination, but termination shall not affect a Party's accrued rights and obligations as on the date of termination.

15. SURVIVAL

If this Agreement is terminated and the transactions contemplated hereby are abandoned as described in this Clause, this Agreement shall come to an end and shall be of no further force or effect, except for the provisions of this Clause 15 (Survival), Clauses 16 (*Governing Law and Arbitration*), 18 (*Confidentiality*), 19 (*Notices*) and 27 (*Costs and Expenses*) which shall survive the termination of this Agreement. Nothing in this Clause 15 shall be deemed to release either Party from any liability for any breach by such Party of the terms and provisions of this Agreement or to impair the right of either Party to compel specific performance by the other Party of its obligations under this Agreement.

16. GOVERNING LAW AND ARBITRATION



- 16.1 This Agreement and its performance shall be governed by and construed in all respects in accordance with the Laws of the Republic of India, and, subject to Clause 16.2 below, the courts at Mumbai, India shall have exclusive jurisdiction on the matters arising from this Agreement, without regard to the principles of conflicts of laws.
- 16.2 In the event of a dispute or difference relating to any of the matters set out in this Agreement, including, but not limited to, the validity, implementation, interpretation, termination, alleged breach of this Agreement, existence or enforceability hereof ("**Disputes**"), the Party raising the Dispute shall serve a written notice ("**Notice of Dispute**"/ "**NOD**") to the other Parties concerned with the Dispute. Upon service of the NOD, the Parties to the Dispute shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within 60 (sixty) calendar days of receipt of NOD ("**Initial Period**") it shall be referred to arbitration in accordance with Clause 16.3 below.
- 16.3 All Disputes that have not been satisfactorily and amicably resolved under Clause 16.2 above shall be referred to arbitration before a sole arbitrator to be jointly appointed by the Parties to the Dispute. The arbitration shall be carried out in accordance with the procedural law prescribed by the Singapore International Arbitration Centre. The seat of the arbitration shall be Singapore and the venue of the arbitration shall be Mumbai, India or such other place as may be agreed mutually by the parties to the dispute.
- 16.4 In the event that the Parties to the Dispute are unable to agree on a sole arbitrator within 10 (ten) days following the Initial Period, then the Dispute shall be referred to a panel of 3 (three) arbitrators ("**Panel**") to be appointed within 10 (ten) days from the expiry of the Initial Period. Both Parties to the Dispute (that is the party instituting the arbitration proceeding and the respondent party) shall appoint 1 (one) arbitrator each to the Panel and the 2 (two) arbitrators so appointed shall jointly appoint 1 (one) more arbitrator to the Panel, who will preside as chairman, provided that if the third arbitrator is not appointed within 30 (thirty) days of the referral of a Dispute to arbitration following the Initial Period, the Chairman of the Singapore International Arbitration Centre shall appoint the third arbitrator. No officer, director, shareholder, employee, representative or Relative of any Party may be nominated or appointed as an arbitrator. For avoidance of doubt, it is hereby clarified that the Promoters and the Company shall collectively be considered as one Party for the purpose of this Clause 16, where both the Company and the Promoters are claimants/plaintiffs and/or respondents in such Dispute.
- 16.5 The arbitration proceedings shall be conducted in the English language and the sole arbitrator/ Panel shall render a written and reasoned award in writing at the earliest, but in any event, within 120 days from the appointment of the sole arbitrator/ Panel. The sole arbitrator/ Panel shall have the power to grant any legal or equitable remedy or relief available under Law, including, but not limited to, injunctive relief (whether interim and/ or final) and specific performance and any measures ordered by the sole arbitrator/ Panel may be specifically enforced by any court of competent jurisdiction. Any award (interim or final) rendered by the sole arbitrator/ Panel shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law. The sole arbitrator/ Panel shall decide on the costs.
- 16.6 Each Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.



16.7 During the course of any arbitration under this Clause 16 except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this Agreement.

16.8 Any dispute regarding the validity of the present Clause 16 would be decided exclusively by the arbitrator aforementioned.

17. SUCCESSORS

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the successors, permitted assigns, heirs, executors and administrators of the Parties.

18. CONFIDENTIALITY

18.1 Each Party shall keep all information relating to each other Party, information relating to the transactions herein and this Agreement (collectively referred to as the "**Information**") confidential. Nothing in this Clause shall restrict any Party from disclosing Information for the following purposes:

18.1.1 To the extent that such Information is in the public domain other than by breach of this Agreement;

18.1.2 To the extent that such Information is required to be disclosed by any applicable Law or required to be disclosed to any Governmental Authority to whose jurisdiction such Party is subject or with whose instructions it is customary to comply, subject to providing a prior written notice of 10 (ten) days to the other Parties. Subject to applicable Law, such prior notice shall also include (a) details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (b) the disclosing Party shall also cooperate with the other Parties to the extent that such other Party may seek to limit such disclosure including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other;

18.1.3 Insofar as such disclosure is reasonably necessary to such Party's employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisers treat such Information as confidential. For the avoidance of doubt it is clarified that disclosure of information to such employees, directors or professional advisers shall be permitted on a strictly 'need-to-know basis';

18.1.4 To the extent that any of such Information was previously known or already in the lawful possession of such Party, prior to disclosure by any other Party hereto; and

18.1.5 To the extent that any information, materially similar to the Information, shall have been independently developed by such Party without reference to any Information furnished by any other Party hereto.



18.1.6 The Investor may disclose such confidential information to its investment committee, Affiliates, any former partners or members who retained an economic interest in the Investor, current or prospective partner of the partnership or any subsequent partnership under common investment management, limited partner, general partner, member or management company of the Investor (or any employee, advisor or other representative of the Investor or any of the foregoing).

18.2 The provisions of this Clause shall survive the termination of this Agreement for a period of 12 (twelve) months.

19. NOTICES

19.1 Unless otherwise provided herein, all notices or other communications to be given shall be made in writing, and shall be deemed to be duly given or made: (a) in the case of personal delivery, when delivered; (b) in the case of e-mail transmission, provided that the sender has received a receipt indicating proper transmission, when dispatched; or (c) in the case of a letter, (i) seven (7) Business Days after being deposited in the post (by registered post, with acknowledgment due), postage prepaid or (ii) three (3) Business Days after being deposited with an internationally recognized overnight courier, freight prepaid, specifying two-day delivery, with written verification of receipt; in each case, to such Party at its address, facsimile number or e-mail address specified herein or at such other address, or e-mail address as such Party may hereafter specify for such purposes to the other by notice in writing.

19.2 The addresses referred to above are:

(a) In the case of a notice to the Company:

Address : 101, HDIL Towers, Anant Kanekar Marg, Bandra (East),
Mumbai – 400051, Maharashtra, India
Attention : Mr. Prerak Goel
E-mail : prerak@concordenviro.in

(b) In the case of the Investor:

Address : Trident Trust Company (Mauritius) Limited, 5th floor,
Barkly Wharf, Le Caudan Waterfront, Port Louis,
Mauritius
Attention : Ashraf Ali Deenmahomed
E-mail : adeenmahomed@tridenttrust.com

With copies to:

Attention : Stuart Barkoff
E-mail : sbarkoff@globalenvironmentfund.com

(c) In the case of Promoter 1:

Address : 1001 Eben Ezer, Tagore Road, Santacruz West, Mumbai



– 400054, Maharashtra, India
E-mail : prerakgoel@rochemindia.com

(d) In the case of Promoter 2:

Address : 1101 Eben Ezer, Tagore Road, Santacruz West, Mumbai
– 400054, Maharashtra, India
E-mail : prayasgoel@rochemindia.com

- 19.3 A notice or other communication received on a day other than a Business Day, or after business hours in the place of receipt, shall be deemed to be given on the next following Business Day in such place.
- 19.4 The address for serving notices can be changed by any Party by properly serving notices on the other Parties informing them of the changes of address.
- 19.5 In the event that a Party refuses delivery or acceptance of a notice, request or other communication, under this Agreement, it shall be deemed that the notice was given upon proof of the refused delivery, provided the same was sent in the manner specified in this Agreement.

20. ASSIGNMENT

No Party shall assign any of their respective rights or obligations under this Agreement without the prior written consent of the other Parties.

21. SEVERABILITY

Any provision in this Agreement, which is or may become prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in the same or any other jurisdiction. Without prejudice to the foregoing, the Parties will immediately negotiate in good faith to replace such provision with a proviso, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces.

22. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the Parties in relation to the terms of the matters contained in this Agreement and shall supersede and extinguish any previous drafts, agreements or understandings between all or any of the Parties (whether oral or in written) relating to the subject matter herein, and shall include all schedules and amendments executed by the Parties mutually in writing. All Parties acknowledge the terms of the Shareholders' Agreement, which terms would continue to apply between the Parties thereto.

23. COUNTERPARTS

This Agreement has been signed in multiple counterparts, each of which shall be deemed to be an original. Counterparts may be delivered via electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

24. AMENDMENTS AND WAIVERS

Any provision of this Agreement may be amended or waived if, and only if such amendment or waiver is in writing and signed, in the case of an amendment by each of the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

25. FURTHER ASSURANCES

Each Party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents, documents and assurances without further consideration, which may be required to effect the transactions contemplated under the Transaction Documents.

26. INDEPENDENT CONTRACTING PARTIES

The Parties are independent contracting parties and will have no power or authority to assume or create any obligation or responsibility on behalf of each other. This Agreement will not be construed to create or imply any partnership, agency or joint venture, or employer-employee relationship.

27. COSTS AND EXPENSES

The Company shall bear all expenses in relation to the transactions contemplated under the Transaction Documents, including inter alia, for stamp duty on the issuance of the Subscription Shares and the Transaction Documents. In the event the Closing has been achieved, the Company shall reimburse the Investor for all third-party due diligence expenses, including legal, accounting and market due diligence, and for legal costs associated with the preparation, review and negotiation of Transaction Documents upon presentation of invoices subject to a maximum of INR 1,00,00,000 (Rupees One Crore only).

28. SPECIFIC PERFORMANCE

This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach of this Agreement and the remedies at Applicable Law in respect of such breach will be inadequate (each Party hereby waives the claim or defense that an adequate remedy under the applicable Law is available) and



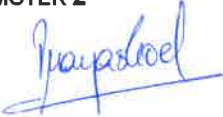
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that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it. Termination shall be without prejudice to all its rights and remedies under Applicable Law or equity available to the non-defaulting Party including but not limited to the right to seek indemnities for the breach from the defaulting Party.

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MP R R

IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

<p>FOR THE COMPANY</p>  <p>NAME : MR. PRERAK GOEL DESIGNATION : DIRECTOR PLACE : MUMBAI DATE : AUGUST 7, 2015</p>
<p>FOR PROMOTER 1</p>  <p>NAME: MR. PRERAK GOEL PLACE : MUMBAI DATE : AUGUST 7, 2015</p>
<p>FOR PROMOTER 2</p>  <p>NAME: MR. PRAYAS GOEL PLACE : MUMBAI DATE : AUGUST 7, 2015</p>
<p>FOR THE INVESTOR</p> <p>NAME: MR. ASHRAF ALI DEENMAHOMED DESIGNATION: PLACE : PORT LOUIS, MAURITIUS DATE :</p>

SCHEDULE 1

Part A

CAPITALIZATION OF THE COMPANY AND THE SUBSIDIARIES AS OF THE EXECUTION DATE

Concord Enviro Systems Private Limited			
S. No	Shareholder's name	No of shares	Percentage
1	Namrata Prayas Goel	1,575	3.7010%
2	Nidhi Prerak Goel	1,575	3.7010%
3	Pushpa Kamlesh Kumar Goel	12,600	29.6080%
4	Prayas Goel	7,875	18.5050%
5	Prerak Goel	7,875	18.5050%
6	India Waste Water Treatment Company	11,056	25.9799%
	Total	42,556	100.0000%

Rochem Separation Systems (India) Private Limited			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems Private Limited	39,999	99.9975%
2	Namrata Goel (As a Nominee of Concord Enviro)	1	0.0025%
	Total	40,000	100.0000%

Reva Enviro Systems Private Limited			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems Private Limited	49,999	99.9980%
2	Namrata Goel (As a Nominee of Concord Enviro)	1	0.0020%
	Total	50,000	100.0000%

Concord Blue Technology Private Limited			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems Private Limited	10,200	51.0000%
2	Prayas Goel	1,900	9.5000%
3	Prerak Goel	1,900	9.5000%
4	Christopher Frederick Thannhauser	6,000	30.0000%
	Total	20,000	100.0000%



Concord Enviro Systems FZE (Sharjah)			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems Private Limited	1	100.0000%
	Total	1	100.0000%

Blue Water Trading & Treatment FZE (Sharjah)			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems FZE (Sharjah)	1	100.0000%
	Total	1	100.0000%

Concord EnviroSA DE CV (Mexico)			
S. No	Shareholder's name	No of shares	Percentage
1	Concord Enviro Systems FZE (Sharjah)	49,999	99.9980%
2	Ashish Singal	1	0.0020%
	Total	50,000	100.0000%

Part B
CAPITALIZATION OF THE COMPANY AS OF THE CLOSING DATE

S. No.	Shareholder's name	No of Equity Shares	No. of CCPS	Percentage
1.	Namrata Prayas Goel	1,575		3.4004%
2.	Nidhi Prerak Goel	1,575		3.4004%
3.	Pushpa Kamlesh Kumar Goel	12,600		27.2032%
4.	Prayas Goel	7,530		16.2572%
5.	Prerak Goel	7,525		16.2464%
6.	AFHoldings	11,751	3,762	33.4924%
	Total	46,318	3,762	100.0000%

Note: The Conversion Ratio of CCPS is assumed as 1:1.

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SCHEDULE 2
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE PROMOTERS

1. Authority, Capacity and Corporate Status

- 1.1 The Company has been duly incorporated and organized, and is validly existing in good standing, under the Law of the country of incorporation.
- 1.2 The Company has the legal right, power and authority to enter into, deliver and perform the Transaction Documents and each of the Transaction Documents constitutes valid and binding obligations and be enforceable against the Company in accordance with their respective terms.
- 1.3 The Transaction Documents, having been duly executed by each of the Promoters, constitutes a legal, valid and binding obligations of each of them and are enforceable against each of them in accordance with their respective terms. Each Promoter has the power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder and to consummate the transactions contemplated hereby. Except for the Conditions Precedent no approval, consent, exemption, authorization or other action by, or filing with, any Governmental Authority, and no waiting period under any requirement of Law, is necessary or required by the Promoters and the Company in connection with the execution, delivery or performance by, or enforcement against, the Promoters of the Transaction Documents or the Transactions contemplated thereunder.
- 1.4 The execution, delivery and performance by the Promoters and the Company of the Transaction Documents and their compliance with the terms and provisions thereof: (a) does not violate the Articles or Memorandum and; (b) shall not contravene any provision of any applicable laws, or any order, writ, injunction or decree of any court or tribunal or Governmental Authority to which they are subject; or (c) conflict with, result in any breach of, or constitute a default under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any contract or permit which is applicable to the Company or any of the Promoters, or by which any of the Assets of the Company may be bound; (d) result in the creation of any Encumbrance (or any obligation to create any Encumbrance) upon any of the Assets or properties of the Company.
- 1.5 Neither the Promoters nor the Company is insolvent or unable to pay their/its debts within the meaning of the Act (or under the insolvency laws of any jurisdiction applicable to any Promoter or the Company) or has stopped paying undisputed debts as they fall due.
- 1.6 Other than the Business, the Company does not conduct or engage in any business.

2. Corporate Matters

- 2.1 The copies of the Memorandum and Articles delivered to the Investor are complete and accurate in all respects. The Company has been in material compliance with all the provisions of its Memorandum and Articles and all legal and procedural requirements concerning the Act and in particular, has not entered into any ultra vires transaction.



- 2.2 All documents required to be delivered and filings required to be made by the Company to the Registrar of Companies, the Reserve Bank of India or any other Governmental Authority are complete and accurate in all respects and have been properly delivered.
- 2.3 The Books and Records of the Company have been properly kept, are up-to-date, duly reflected the proceedings of the meetings in the respective minutes and contain complete and accurate details of all matters required by applicable Law to be entered in them. All such documents are in the possession or under the control of or accessible to the Company. No notice stating that any such Books and Records are incorrect or should be rectified, has been received from any Governmental Authority.
- 2.4 The Company has the corporate power and authority to own and operate its Assets and properties and to carry on the Business in the manner it is currently conducted and as proposed to be conducted.
- 2.5 The Directors have been validly appointed as per the provisions of the Act, and the Charter Documents, and none of the Directors are disqualified to continue as Directors under any provisions of the Act and/or any other statutory legislation, as may be applicable.

3. **Consents and Waivers**

The Company and the Subsidiaries have obtained all necessary Consents, waivers and no-objections in writing from any Person as may be required under any applicable Law or contract or otherwise for the execution, delivery and performance of the Transaction Documents, including without limitation, Consents, waivers and no-objections:

- 3.1 from the existing Shareholders, expressly waiving their rights, if any, towards subscription to the Subscription Shares;
- 3.2 from any banks and financial institutions, that may be required under any agreement to which the Company, the Subsidiaries, and/or any of their respective Assets may be bound; and
- 3.3 that may be required to be obtained by the Company under any contract, agreement, arrangement to which the Company, and its Subsidiaries, and the Promoters are as party, or to which any of its Assets are bound.

4. **Issuance of Subscription Shares**

- 4.1 The Subscription Shares to be issued under this Agreement to the Investor have been, or shall have been on or prior to the Closing, duly authorized by all necessary corporate and legal actions and all necessary Consents required to be obtained by the Company for such issue have been, or shall have been prior to the Closing, obtained. All such necessary Consents are, and shall be as of the Closing Date, in full force and effect.
- 4.2 As of the Closing Date, the Company shall have good right, full power and absolute authority to issue the Subscription Shares, in each case, free from any Encumbrances, claim or demand of any nature, and each of the Company and the Promoters have not and nor has anyone on their



behalf done, committed or omitted any act, deed, matter or thing whereby the issuance of the Subscription Shares can be forfeited, extinguished or rendered void or voidable subject to consummation of the transactions contemplated in the Transaction Documents as occurring on the Closing Date.

- 4.3 The Subscription Shares to be issued to the Investor at Closing shall be fully paid-up and validly issued to the Investor. Upon issuance of the Subscription Shares to the Investor, the Investor shall be the sole legal and beneficial owner of, and registered as the sole owner of, the Subscription Shares subscribed by it, free from any Encumbrances, claim or demand of any nature.
- 4.4 The issuance of the Subscription Shares to the Investor will not violate the provisions of the Foreign Direct Investment Policy of the Government of India issued on May 12, 2015 and/ or the Foreign Exchange Management (Transfer or Issue of Security to a Person resident outside India) Regulations, 2000 as amended from time to time, in respect of investment by the Investor in the Company.
- 4.5 The Company is not involved in any activity which is not under the automatic route under the Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Government of India on May 12, 2015, the Foreign Exchange Management Act, 1999 as amended from time to time, any rules and regulations or circulars issued thereunder or under any laws applicable to foreign venture capital investors in India.

5. **Purchase Shares**

- 5.1 The Purchase Shares at the time of their issue were validly issued free of all Encumbrances and were issued as fully paid up. The Company and the Promoters have not nor has anyone on their behalf done, committed or omitted any act, deed, matter or thing whereby the purchase of the Purchase Shares by the Investor can be forfeited, extinguished or rendered void or voidable subject to consummation of the transactions contemplated in the Transaction Documents.

6. **Capitalization**

- 6.1 Prior to the Closing, the authorized share capital of the Company shall be: 50,000 Equity Shares of INR 100/- (Rupees One Hundred only) each, of which 42,556 Equity Shares are issued and outstanding; and 4,20,000 Series A CCPS of INR 1000/- (Rupees One Thousand only) each, none of which are issued and outstanding. **SCHEDULE 1** lists the true and complete shareholding pattern/capitalization table of the Company as on the Execution Date.
- 6.2 There are no stock options granted and outstanding, warrants issued and outstanding, outstanding rights or agreements or schemes for the subscription or purchase from the Company of any shares in the capital of the Company or any Equity Securities convertible into or ultimately exchangeable or exercisable for any securities (including conversion of any loan taken or debenture subscribed to by the Company, or pre-emption rights under any other agreement) and no securities currently held by any Person are, or would be, subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company other than as provided for under the Shareholders' Agreement.



6.3 Each Shareholder is the sole legal and beneficial owner of all of the securities set opposite his, her or its name in **SCHEDULE 1** and such Equity Securities constitute all of the Equity Securities owned by such Shareholder.

6.4 The Equity Securities held by the existing Shareholders are free from any and all Encumbrances and there is no agreement or commitment to give or create any Encumbrance over or affecting the Equity Securities and no claim has been made by any Person to be entitled to any such Encumbrance except as set out in the Transaction Documents.

6.5 All funds invested in the Company by the Shareholders and Promoters, either in the form of loans or through investment in the Equity Securities of the Company, have been raised from legitimate sources belonging to Shareholders and Promoters and/ or their respective Affiliates or Relatives or regulated financial institutions in accordance with applicable Law.

7. Business and Operations

7.1 The Company and the Subsidiaries have the power to carry on the Business, as currently conducted and to own their respective Assets.

7.2 The Company and its Subsidiaries have obtained all necessary permits, approvals, authorizations, licenses, registrations, and Consents for the conduct of their Business. There are no notices received by the Company for the revocation, suspension or non-renewal of any Consent.

7.3 The Company is not a party to any contract:

7.3.1 which is not in the ordinary course of business;

7.3.2 that may be terminated upon a change in the direct or indirect ownership or control of the Company or whose terms, in the event of such a change of ownership or control, are different from those which apply prior to such event; or

7.3.3 that restricts the Company's freedom to carry on its business in any part of the world, or is a party to any agency, distribution, franchise or licensing agreement.

7.4 Each of the contracts material to the Business and having a value of more than INR 2,00,00,000 ("**Material Contracts**") to which the Company is a party is in full force and effect and is enforceable in accordance with its terms. No written allegation of any breach or invalidity have been made or received by the Promoters or the Company. No written notice of termination of any such contract has been served or received by the Promoters or the Company. To the knowledge of the Company and/or the Promoters, there are no grounds for the determination, rescission, avoidance or repudiation of any such contract and the Company and/or the Promoters have not received any allegation in writing of such a matter.

7.5 The Company and the Promoters are not a party to any contract pursuant to which consent is required from the counterparty for the execution and delivery of the Transaction Documents and the performance of its obligations under the Transaction Documents.



7.6 Except as entered in the ordinary course of business, the Company is not a party to nor has any liability (actual or contingent) under any guarantee, indemnity or letter of credit, or any leasing, rental, hire purchase, credit sale or conditional sale agreement and there are no contingent liabilities for which the Company is liable under any Material Contract.

7.7 There are no non-compete or other similar agreements or commitments to which the Company is a party that would impose restrictions upon the Investor or their respective Affiliates or upon the Company in carrying on the Business in any geography.

8. **Foreign Corrupt Practices Act/ Anti-Corruption Laws**

8.1 None of the Company or any director, officer, agent or employee (individually and collectively, a "Company Affiliate"), has violated the U.S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act, Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002 or any other any applicable Law on anti-bribery or anti-corruption laws, Neither the Company nor any Director acting for or on behalf of the Company, directly or indirectly, has established or maintains any fund or assets, in which the Company has proprietary rights, that have not been recorded in the books and records of the Company.

8.2 Neither the Promoters nor the Company (a) are persons with whom transactions are currently prohibited under any U.S. economic sanctions and any other applicable (or equivalent) measure; (b) as on the Closing Date, have any outstanding orders in any business, transactions or other activities with any such prohibited Person; and (c) as on the Closing Date, have any outstanding orders in any business, transactions prohibited by the U.S. economic sanctions and any other applicable (or equivalent) measure.

9. **Financial Statements, Accounts and Records**

9.1 The Accounts have been accurately and properly prepared, in accordance with applicable Law and Indian GAAP, so as to give a true and fair view of the affairs and operations (including the Assets, liabilities, profit or loss and state of affairs) of the Company as required under Indian GAAP. The Accounts provide for bad and doubtful debts and obsolete or slow moving stock and state accurately all liabilities and value of all Assets in compliance with and to the extent required under Indian GAAP.

9.2 As on March 31, 2015, the Company had no liability (whether actual, contingent, unquantified or disputed) or outstanding capital commitment which is not disclosed or provided for in the Accounts in compliance with Indian GAAP.

9.3 Except as stated in the Accounts, no debts or other receivables have been factored, sold or agreed to be sold. No indication has been received that any debt or receivables owing to the Company is bad or doubtful, other than as provided for in the Accounts.

9.4 Since March 31, 2015:

9.4.1 the Business of the Company and the Subsidiaries has been conducted in the ordinary course;

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- 9.4.2 there has been no material adverse change in the financial or trading position of the Company;
- 9.4.3 no Asset of a value in excess of INR 50,00,000 (Rupees Fifty Lakhs only) has been acquired or disposed of or Encumbered, nor has there been any agreement to acquire or dispose of or Encumber any such Asset;
- 9.4.4 no liability (actual or contingent) has been incurred or arisen other than in the ordinary course of business;
- 9.4.5 no dividend or other distribution has been, or has agreed to be, declared, made or paid by the Company; and
- 9.4.6 the Company has not received any notice of resignation from any Key Management Team.
- 9.5 The methods of accounting adopted by the Company in the past are in compliance with applicable Laws and there exists no circumstance or condition which would give rise to liability to or claims against the Company on the account of such methods of accounting.
- 9.6 The accounting and other records of the Company are up-to-date, have been fully, properly and accurately maintained and are in the possession of the Company.
- 9.7 The Company has provided to the Investor copies of the audited financial statements of the Company for the Financial Year ending March 31, 2015 (the "**Financial Documents**"). The Financial Documents present a true and fair view of the Company's financial condition and results of operations as of the date thereof and for the period indicated.

10. **Borrowings**

- 10.1 Except as set out in the Financial Documents, there are no other borrowings (including any outstanding obligations for the repayment of money), whether present or future, actual or contingent, or charges or other security interests (excluding statutory liens) of the Company, and since March 31, 2015, there has been no material change in the amounts, interest rates, sinking funds, installment payments or maturities of the borrowings of the Company, and all the borrowings (secured and/or unsecured) have been duly authorized by necessary corporate actions/necessary Consents.
- 10.2 No guarantee, mortgage, charge, pledge, lien or other security agreement or arrangement has been given by or entered into by the Company or the Promoters in respect of any obligations of the Company (including in respect of borrowings) or in respect of the indebtedness or obligations of any other Person.
- 10.3 (i) There are no liabilities (actual or contingent) existing, except in the ordinary course of business, and (ii) to the best knowledge of the Promoters and the Company, there are no circumstances or conditions existing which would give rise to any liability (actual or contingent), in relation to the borrowings of the Company (secured and/or unsecured).
- 10.4 There are no debts owing to the Company other than debts that have arisen in the ordinary course of business, each of which is recoverable in full when it falls due.



10.5 The Company is not in default and no waiver of default is currently in effect, for the payment of any principal or interest on any borrowings of the Company and no event or condition exists with respect to any borrowings of the Company that would permit (or that with notice or the lapse of time, or both, would permit) one or more lenders to cause (i) such borrowings to become due and payable before its stated maturity or before its regularly scheduled dates of payment or (ii) any change in the direct or indirect ownership or Control of the Company.

11. **Taxation Matters**

11.1 The Company has paid all Taxes as and when due or has adequately provided for the same in the Financial Statements. The provision for Taxes as shown in the Financial Documents is adequate for taxes due or accrued as of the date thereof.

11.2 The Company has submitted and/or filed all reports, notices, computations and returns as required by Law to the relevant Taxation authorities and all such returns, notices, computations and returns are true, accurate and complete and are not, as on Execution Date, the subject of any material dispute with any Taxation authorities.

11.3 The Taxes payable by the Company have not been affected by any concessions, formal or informal arrangements or other agreements with any Taxation authority, other than concessions, agreements or arrangements available to companies generally.

11.4 The Company is not subject to a special regime in respect of Taxation.

11.5 The Company is not liable to pay, nor are there any circumstances to the knowledge of the Company or Promoters, by reason of which it is likely to become liable to pay, any interest, penalty, surcharge or fine relating to Taxation.

11.6 The Company is not currently subject to any investigation by any Taxation or excise authority, and neither of the Promoters is aware of any such investigation planned.

11.7 The Company has not received any claim or notice concerning any liability for Taxes of the Company from any Taxation authority that are currently under review and no proceedings for recovery of Taxes have been initiated or are presently pending against the Company.

11.8 There are no pending claims, proceedings or actions against the Company or any penalty imposed or levied, additional interest or other amounts charged on or to the Company by the existing lenders of the Company on account of the accounting methodology used by the Company in the past not being acceptable to the Tax authorities or any other Governmental Authorities including in relation to excise duties.

11.9 The Company is not subject to Tax in any jurisdiction other than India and Mexico.

11.10 The Company has deducted, accounted for and paid over to the appropriate Governmental Authorities all deductions and payments of Tax which they are required to make in respect of the liability to Tax of any other Person, including (without limitation) in respect of any payments and



benefits made or treated as made to employees, ex-employees, Directors, agents or contractors of the Company.

- 11.11 The returns for withholding Tax required to be filed by the Company, have been filed in accordance with applicable Laws.
- 11.12 All advances made by the Company to the Shareholders and/or its employees, if any, have been made after withholding Tax on such advances.
- 11.13 The Company has complied with the provisions of Laws relating to sales, turnover or service tax or customs duty or works contract tax and all other indirect Taxes to the extent to which they required to comply with such Tax laws.
- 11.14 All goods, services or other inputs for which the Company has claimed any exemption, credit, deduction or similar treatment with respect to any indirect Tax have been or are to be used for the purposes of the Business and the Company believes that such exemption, credit, deduction or similar treatment has been availed of in accordance with applicable Law.

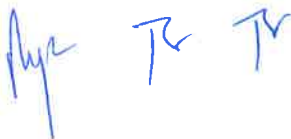
12. **Litigation Matters**

- 12.1 The Company is not engaged in any prosecution, litigation, arbitration proceedings or administrative or governmental investigation or challenge as plaintiff, defendant, and third party or in any other capacity. There are no such matters to the best knowledge of the Company and the Promoters, threatened in respect of which written communication has been given or received by or against the Company.
- 12.2 The Company is not subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority or other body, and no such investigations, inquiries, or enforcement proceedings are pending or threatened.
- 12.3 No Director, officer or employee (in each case, past or present) of the Company is engaged in or subject to any of the proceedings referred to in paragraphs 12.1 and 12.2 for which the Company may be liable.
- 12.4 No order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby the Business is terminated or a substantial part of the Assets of the Company are distributed amongst its creditors and/or Shareholders or other contributories) of the Company.
- 12.5 No administrator, receiver or manager has been appointed by any Person in respect of any of the Promoters or the Company for all or any of their assets/Assets and no steps been taken to initiate any such appointment and no voluntary arrangement has been proposed. Neither the Promoters nor the Company is subject to any analogous proceedings, appointments or arrangements under the Laws of any applicable jurisdiction.
- 12.6 There are no criminal proceedings, or to the best knowledge of the Company and Promoters, threatened against the Company or against any present directors, officers or employees of the Company in matters related to the Company.



13. Intellectual Property

- 13.1 The Company has sufficient title and ownership of or licenses to the use of Intellectual Property for its Business as now conducted without any violation or infringement of, the rights of others.
- 13.2 The Intellectual Property of the Company is valid and subsisting and all registration and renewal fees currently due in connection with such Intellectual Property have been paid and all documents, recordation and certificates in connection with such Intellectual Property currently required to be filed have been filed with the relevant patent, copyright, trademark or other authorities in the relevant jurisdiction, for the purposes of prosecuting, maintaining and perfecting such Intellectual Property and recording the Company's or its Subsidiaries' ownership interests therein. The Company has not filed an application for surrendering or amendment of its Intellectual Property and to the best of the knowledge of the Company and/ or the Promoters, the Intellectual Property is not subject to amendment, challenge or removal by any Third Party or surrender by the Company.
- 13.3 There are no outstanding licenses, agreements, claims, encumbrances or shared ownership of interests of any kind relating to anything referred to above in Clauses 12.1 and 12.2, except, in either case, for standard end-user, object code, internal-use software license and support/maintenance.
- 13.4 No Intellectual Property owned or used by the Company in relation to its Business and no license of Intellectual Property rights of which the Company is the licensee will be lost, or rendered liable to any right of termination or cessation by any third party, by virtue of consummation of the transactions contemplated by this Agreement and the other Transaction Documents.
- 13.5 The Company has not received any communications alleging that the Company has violated or, by conducting its Business in the ordinary course, would violate any of Intellectual Property of any other Person and the Company is not aware of any such allegation.
- 13.6 Neither does there exist any actual infringement, nor threatened, by any third party of any Intellectual Property held or used by the Company (including misuse of confidential information) or any event likely to constitute such an infringement.
- 13.7 The Intellectual Property of the Company is not subject to any security interest, mortgage, charge, lien, encumbrances by any third party.
- 13.8 No claim has been made or threatened by employees or ex-employees of the Company under any statutory inventor compensation provision, or like employee compensation provision, in respect of Intellectual Property used by the Company.
- 13.9 The Company has complied with all applicable Laws and its respective internal privacy policies relating to the use, collection, storage, disclosure and transfer of any sensitive personal data collected by the Company or by third parties having authorized access to the records of the Company, if any and to the extent applicable. The Company has not received a written complaint regarding the Company's collection, use or disclosure of sensitive personal data, if any.



14. **Title to Property and Assets**

- 14.1 The Company owns, and has good title to its property and Assets free and clear of all Encumbrances, except such Encumbrances that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or Assets.
- 14.2 With respect to the property and Assets it leases, the Company is the lessee or authorized user of such property and Assets and is in compliance with contractual terms of all leases and holds a valid leasehold interest free of any Encumbrances of any kind.
- 14.3 The Company has maintained all material tangible Assets in good repair, working order and operating condition subject only to ordinary wear and tear, and all such material tangible Assets are fully adequate and suitable for the purposes for which they are presently being used.
- 14.4 In respect of the Assets used in the Business of the Company but not owned by the Company or any facilities or services provided to the Company by any third party, there has not occurred any event of default or any other event or circumstance (other than the expiry of any agreement in the normal course) which may entitle any third party to terminate any agreement or license in respect of the provision of such facilities or services (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance).
- 14.5 All of the leases (which expression shall include any letting, under-lease or sublease and any tenancy or license to occupy and any agreement for any lease, letting, under-lease, sublease or tenancy) with respect to premises used in the Business of the Company, and under which the Company holds its properties are in full force and effect and are enforceable in Law ("**Leased Real Property**").
- 14.6 No notice has been issued by the Government of any claim in any form that has been asserted by anyone adverse to the rights of the Company under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company to the continued possession of substantially all of the premises held under any such lease.
- 14.7 All of the terms and conditions in relation to Leased Real Property, including, without limitation, the rent for the Leased Real Property, are contained in the relevant lease or other document relating thereto and there are no other agreements, documents or letters relating to or affecting the same.
- 14.8 There are no outstanding actions, disputes, claims or demands in relation to the title to the property or the use of the property for the purpose of the Business being carried on therein.
- 14.9 The Company has all necessary Consents, licenses and authorizations required under applicable Law in connection with its ownership of its property and Assets, and all such Consents, license and authorizations are in full force and effect; and

14.10 The documents/deeds relating to lands held by the Company or the Leased Real Property have been stamped with adequate stamp duty and have been registered (with due payment of registration fees) under applicable Law.

15. **Insurance**

15.1 The insurance policies held by the Company are on such terms (including as to deductibles and self-insured retentions), cover such risks, contain such deductibles and retentions and are in such amounts as are: (i) customarily held by companies of the similar value/size or similar business as the Company, and/or (ii) required pursuant to the provisions of any contract to which the Company is a party. The insurance coverage provided by such policies is adequate and suitable for the Business and operations.

15.2 All of the insurance policies of the Company are in full force and effect. None are void or voidable; no claims are outstanding; no event has occurred which might give rise to any claim; and all premiums due and payable have been paid. No change in the direct or indirect ownership or control of the Company will or may entitle any insurer to terminate any such insurance policy.

15.3 During the previous three (3) year period, no insurance claim has been made by the Company.

16. **Contractual Arrangements**

16.1 The Company is not a party to any contract which is not of an arm's length nature or whereby the Company has agreed to transfer any Assets for a value less than fair market value, and the Company is in full compliance with Section 188 of the Act.

16.2 The Company has not been a party to any agreement, arrangement or practice which in whole or in part contravenes or is invalidated by any restrictive trade practices, fair trading, consumer protection or similar laws or regulations under the relevant jurisdiction or in respect of which any filing, registration or notification is required pursuant to such Laws (whether or not the same has in fact been made) and which would have a materially adverse effect on the Business.

16.3 All the documents/agreements executed by the Company (on which stamp duty is payable) are duly stamped in accordance with applicable Laws.

16.4 Except for employment arrangements that have been disclosed to the Investor, there are no agreements, understandings or proposed transactions between the Company and any of its Key Management Team or Directors.

16.5 The Company represents and warrants that:

16.5.1 no Related Party is indebted to the Company, nor is the Company indebted (or committed to make loans or extend or guarantee credit) to any of them other than for (i) payment of salary for services rendered; (ii) reimbursement for reasonable expenses incurred on behalf of the Company; and (iii) other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Board of the Company and stock purchase agreements approved by the Board of the Company);




- 16.5.2 to the knowledge of the Company or Promoters, no Related Party has any direct or indirect ownership interest in (i) any firm or corporation with which the Company is Affiliated or with which the Company has a business relationship, (ii) any Person that competes with the Company or is likely to compete with the Company, (iii) any Person which purchases from or sells, licenses or furnishes to the Company any goods, property, Intellectual Property or other property rights or services;
- 16.5.3 no Related Party is, directly or indirectly, interested in any Material Contract with the Company (other than such contracts as relate to any such person's ownership of Equity Securities of the Company); and
- 16.5.4 no Related Party, nor any of their respective Affiliates or Relatives, has made any a claim of any nature against the Company or assigned the right to make such a claim to any other Person.

17. Confidential Information

- 17.1 The Company has at all times used commercially reasonable efforts to protect (i) its trade secrets as well as any third party's trade secrets in its possession, where necessary, pursuant to any arrangement; and (ii) the confidential information in its possession, and has not disclosed any trade secrets or confidential information to any third party except under ordinary course of business and written terms which provide full protection for each of Company's commercial interests.

18. Employees

- 18.1 No notice has been received from any member of the Key Management Team terminating his or her employment with the Company and no member of the Key Management Team has indicated any intention or plan to terminate his or her employment with the Company.
- 18.2 The Company does not have any trade union or any other organization or body of employees.
- 18.3 The Company does not employ any independent contractors or subcontractors.
- 18.4 The Company is in compliance in all material respects with all Laws applicable to the Company with respect to its employees, independent contractors, subcontractors, or other persons providing services to or on behalf of the Company, including all applicable Laws relating to wages, hours, employment standards, collective bargaining, discrimination, civil rights, safety and health, and workers' compensation and under employee legislations whether State or Central, including (where applicable) the Employees' Provident and Miscellaneous Provisions Funds Act, 1952, the Payment of Gratuity Act, 1972, the Industrial Disputes Act, 1947, the Contract Labor Act, 1970, Employee State Insurance Act, 1948. The Company has paid all statutory contributions when due and payable and no sum is due and outstanding by the Company towards the same.
- 18.5 The Company has not received any notice or claim from any Governmental Authorities with respect to non-compliance of labor Laws.



- 18.6 The Company does not have any employee stock option, stock purchase, stock appreciation right or phantom stock option schemes.
- 18.7 All amounts due and payable to the employees of the Company as on the date of this Agreement, whether contractually or statutorily required, have been made.
- 18.8 The Company has executed, duly enforceable appointment letters with its employees, that provide for reasonable non-disclosure, non-compete and non-solicitation clauses, forms of which have been provided to the Investor.

19. **Environmental Matters**

- 19.1 The Company has complied with and is in compliance with all Environmental Laws in all material respects and has obtained and is in material compliance with all applicable environmental permits, in each case in material respects. No written and/or formal notice of violation or liability has been received by the Company, and no litigation is pending or is threatened (as evidenced by a notice in writing received by the Company) by any Person involving the Company relating to or arising out of any Environmental Law. No order has been issued, no penalty or fine has been assessed involving the Company relating to or arising out of any Environmental Law.
- 19.2 No releases of Hazardous Substances have occurred at any properties currently owned, leased, operated or used by the Company that has resulted in any material cost, liability or obligation of the Company under any Environmental Law.
- 19.3 The Company has not conducted any material environmental site assessments, audits, investigations and studies for itself or any of its Subsidiaries.
- 19.4 The Company has not received any notice from any authority under Environmental Law requiring it to take action for compliance with Environmental Law, or any written notice regarding pollution of the environment or harm to human health.

20. **Competition Law**

- 20.1 The Company is not, and has not been, engaged in any anti-competitive practices, including cartelization, nor is it, or has ever been, a part of any cartel in terms of the Competition Act, 2002 and the rules/regulations/guidelines thereunder ("**Competition Act**").
- 20.2 The Company is not and is not likely to be a dominant undertaking as defined under the Competition Act.
- 20.3 The Company has not received any notice or warning from, nor has it been the subject of, any proceeding, investigation, interrogation or review by any authority constituted under the Competition Act alleging contravention of the provisions of the Competition Act.

21. **Terms of Trade**



21.1 The dealings of customers, suppliers and employees engaged in connection with the Business and other Persons with regards to the Business shall not be prejudicially affected by the execution and performance of this Agreement and the other Transactions Documents.

21.2 Save and except the O&M free upgrades, the Company has not provided any stock or services at less than cost in connection with the Business.

22. Powers of Attorney

22.1 The Company has not given any power of attorney or other authority (express, implied or ostensible) which is still in force to any Person to enter into any contract or commitment on its behalf.

23. Government Grants

23.1 The Company has not received any grant, subsidy or financial assistance from any Governmental Authority other than grants, subsidy or financial assistance available to companies generally.

24. Derivative Transactions

24.1 The Company does not have outstanding any obligations in respect of a derivative transaction, including, but not limited to, any foreign exchange transaction.

25. No Brokers or Finders

25.1 The Company has not employed any broker or finder or incurred any liability for any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement.

26. Information

26.1 All the information set out in this Agreement (including the Schedules) is complete, true and accurate in all respects. In the opinion of the Promoters and/ or the Company, there are no material facts or circumstances in relation to the Business, the Company and the Promoters with respect to the Business, or the transactions contemplated in this Agreement which have not been fully and fairly disclosed in writing.



**SCHEDULE 3
PAYMENT INSTRUCTIONS**

Beneficiary's Name	Concord Enviro Systems Private Limited
Beneficiary's Account Number	039305007325
Beneficiary Bank	ICICI Bank Limited
Bank's Address	163, Backbay reclamation, Mumbai 400020
Swift Code	ICICINBBCTS
IFSC Code	ICIC0000393

SCHEDULE 4
TERMS OF THE SERIES A CCPS

1. Status of CCPS

Unless specifically agreed to by the Preference Holders in writing, the Series A CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events.

2. Voting Rights

The voting rights in respect of the Series A CCPS shall be governed by Clause 16.4 of the Shareholders' Agreement.

3. Term

In the event that, for any reason whatsoever, the conversion of the Series A CCPS does not occur in the manner set forth herein, each Series A CCPS shall have a term of twenty (20) years.

4. Dividends

4.1. Subject to applicable Law, each holder of Series A CCPS (a "Preference Holder") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A CCPS.

4.2. Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A CCPS).

4.3. No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

5. Conversion of the Series A CCPS.

5.1. Conversion Right. Each Preference Holder shall have the right to require the Company to convert all or a part of such Series A CCPS held by them into such number of fully paid Equity Shares equal to the Series A Original Issue Price divided by the Series A Conversion Price (as defined below) then in effect (the conversion ratio for the Series A CCPS is referred to herein as the "Conversion Ratio"), in accordance with the terms of this Agreement (the "Conversion Right") at any time before the conversion of the Series A CCPS is carried out under Clause 5.2 below.



The Conversion Ratio shall initially be 1:1, until adjusted in accordance with Clause 5.8 below and Schedule 3 of the Shareholders' Agreement.

- 5.2. Mandatory Conversion. The Company shall mandatorily convert each Series A CCPS into Equity Shares at the Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of a Conversion Notice in terms of Clause 5.3 below or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Clause 4.2.5 of the Shareholders' Agreement. Notwithstanding the foregoing, each Series A CCPS shall mandatorily convert into Equity Shares at the Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A CCPS were first issued by the Company.
- 5.3. Exercise of Conversion Right and procedure for conversion. A Preference Holder may exercise the Conversion Right by (a) delivering a written notice (a "**Conversion Notice**") to the Company of its intention to so convert Series A CCPS held by such Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A CCPS at the office of the Company together with the Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The Conversion Notice shall specify the number of Series A CCPS that such Preference Holder elects to convert (such Series A CCPS referred to as the "**Relevant CCPS**") and state therein the name or names of any nominee for such Preference Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.
- 5.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant CCPS are convertible at the Conversion Ratio then in effect. Not later than the 7th (seventh) Business Day from the date of the Conversion Notice, the Company shall deliver to such Preference Holder:
- (a) duly stamped and executed share certificates with respect to the Conversion Shares issued on conversion of the Relevant CCPS;
 - (b) certified true copies of all filings necessary to effect and validate the issue of the Conversion Shares, including Form PAS-3;
 - (c) certified true copy of the register of members of the Company showing the Preference Holder as the registered owner of the Conversion Shares;
 - (d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A CCPS and issue of Equity Shares in lieu thereof; and
 - (e) in the event that the Preference Holder has requested in the Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such Preference Holder or to the nominee or nominees of such Preference Holder previously identified to the Company in writing accompanied with a beneficiary position statement issued by the concerned depository.



- 5.5. Procedure for Mandatory Conversion. In the case of a mandatory conversion of Series A CCPS pursuant to Clause 5.2, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/information listed in sub-clause (a), (b), (c), (d) and (e) of Clause 5.4 to the Preference Holders on the date of conversion of the Series A CCPS.
- 5.6. No Fractional Shares. No fractional Conversion Shares shall be issued upon conversion of Series A CCPS. If the computation of the number of Conversion Shares to be issued, results in a fraction, then the number of Conversion Shares shall be rounded down to the nearest whole number.
- 5.7. Conversion Price. The “**Series A Conversion Price**” for the Series A CCPS shall initially be equal to the Series A Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with Clause 5.8 and Schedule 3 of the Shareholders’ Agreement. It is clarified that any adjustment of the Series A Conversion Price and Conversion Ratio shall not automatically result in conversion of the Series A CCPS. In the event of any adjustment to the Series A Conversion Price and the Conversion Ratio of the Series A CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A Conversion Price and Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of Series A CCPS.
- 5.8. Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations. The Series A Conversion Price and Conversion Ratio shall be subject to adjustment from time to time as follows:
- (a) Adjustments for Dilutive Issuances. If at any time after the Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A Conversion Price in effect immediately prior to such issuance (a “**Dilutive Issuance**”), then the holders of Series A CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with Schedule 3 of the Shareholders’ Agreement. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A Conversion Price and Conversion Ratio in accordance with Schedule 3 of the Shareholders’ Agreement. Notwithstanding the foregoing, if the adjustment set forth in this Clause 5.8(a) is not permitted to be made, in whole or in part, under applicable Law, the Parties agree to take all necessary acts to put the Preference Holders in the position that they would have been if such adjustment to the Series A Conversion Price had been made, including potentially the issuance of new Equity Shares to the Preference Holders, or an Affiliate or designated nominee of a Preference Holder, whereby the Preference Holders, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.



- (b) In the event the Company should at any time or from time to time after the Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as "**Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A Conversion Price and Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such Equity Share Equivalents.
- (c) If the number of Equity Shares outstanding at any time after the Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A Conversion Price and Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.
- (d) Subject to the provisions of Clause 12.3, the Conversion Ratio of the Series A CCPS may be adjusted at the option of the Indemnified Party, on the basis of the Fair Market Value, such that the number of Conversion Shares increases to make good the Indemnity Amount (as defined hereinafter) payable to the Indemnified Party ("**Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the Indemnity Conversion Ratio shall be readjusted such that the number of Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of Clause 8 of the Shareholders' Agreement, if the value received by the Investor as a consequence of the exit ("**Exit Value**") and in respect of the Conversion Shares (reckoned as a result of the adjustment of the Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the Exit Value of the Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.
- (e) The Conversion Ratio of the Series A CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.
- (f) The Parties agree that an amount of INR 19,20,00,000/- (Rupees Nineteen Crores and Twenty Lakhs only) is receivable by CES-FZE from RGE within a period of 4 (four) years



from the Closing Date or exit of the Investor in accordance with the terms of this Agreement, whichever is earlier. If the Investor exercises its voluntary Conversion Right in terms of paragraph 5.1 hereinabove before the end of 4 (four) years from the Closing Date, the Conversion Ratio shall not be adjusted in accordance with this paragraph 5.8(f). To the extent any amounts are received by CES-FZE from RGE, the Conversion Ratio shall be adjusted in accordance with the formula and an illustration thereof as stated below:

Amount to be returned = INR 19,20,00,000
 Amount that is returned = F
 Amount that is not returned (G) = (INR 19,20,00,000 - F)

Adjusted pre-money equity valuation of the Company ("**Adjusted Pre-Money Equity Valuation**") = Pre-money equity valuation + (F - G)
 = INR 323,08,14,804 + (F - G)

Conversion Ratio =

$$\frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Equity Shares held by the Investor at the time of conversion}]/(1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by Investor}}$$

Where,

- (i) Investor's Proposed Shareholding = D + (Percentage shareholding of India Waste Water Treatment Company acquired by the Investor + Percentage shareholding of the Promoters acquired by the Investor) * (1 - D); and
- (ii) $D = (\text{INR } 35,00,00,000/-) / (\text{Adjusted Pre-Money Equity Valuation} + \text{INR } 35,00,00,000)$

- (g) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

Conversion Ratio =

$$\frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount * 2) / Fair Market Value of the Company as on the date of conversion

- (h) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

Conversion Ratio =

$$\frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

- (i) The adjustments under this Clause 5.8 shall not be mutually exclusive.
- 6.1 Conversion Cost. The Company shall bear all expenses arising from the conversion of the Series A CCPS as set out in this Clause 5, including *inter alia*, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A CCPS.
- 6.2 Other Distributions. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Clause 5.8(a) above, then, in each such case for the purpose of this Clause 5.10, the Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number Equity Shares into which their Series A CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.
- 6.3 Reservation of Equity Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A CCPS, in addition to such other remedies as shall be available to the Preference Holder, the Company shall take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, to obtain the requisite shareholder approval of any necessary amendment to the Articles.
- 6.4 Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A CCPS.



**SCHEDULE 5
CP CONFIRMATION CERTIFICATE**

Date: [●], 2015

To,
[●]

Re: Fulfillment of Conditions Precedent

Dear Sir(s):

We refer to the Share Subscription Agreement dated [●], 2015 executed between [Name of Promoter] (“**Promoter**”), [Name of Company] (the “**Company**”) and [●]. (“**Investor**”) (the “**Agreement**”).

We hereby confirm and declare that as of the date hereof we have complied with the Conditions Precedent to Closing specified in Clause 6 of the Agreement.

Enclosed please find documents evidencing such compliance.

Capitalized words and expressions used in this letter but not defined herein shall have the same meaning as assigned to them in the Agreement.

Yours sincerely,

Signed for and on behalf of

[Name of Company],

By: [Name]
Title: Director



**SCHEDULE 6
TERMS OF THE OCRPS**

1. Status of OCRPS

Unless specifically agreed to by the OCRPS Holders in writing (as defined below), the OCRPS shall rank senior to the equity shares and other preference shares of CBT at all times and in all events.

2. Voting Rights

The OCRPS shall not carry any voting rights until conversion.

3. Term

In the event that, for any reason whatsoever, the conversion/ redemption of the OCRPS does not occur in the manner set forth herein, each OCRPS shall have a term of twenty (20) years.

4. Dividends

Subject to applicable Law, each holder of OCRPS (an "OCRPS Holder") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each OCRPS held by such holder.

5. Redemption of the OCRPS.

The OCRPS shall be redeemed by CBT upon any of the Promoters and/ or Mr. Christopher Thannhauser failing to invest their pro-rata amount of investment into CBT within 12 (twelve) months of the Company subscribing to the OCRPS ("**Investment Window**").

6. Conversion of OCRPS.

6.1. Mandatory Conversion. Each OCRPS shall convert into 1 (one) equity share of CBT upon the Promoters and/ or Mr. Christopher Thannhauser infusing a pro-rata amount of investment into CBT within the Investment Window to maintain their respective shareholding in CBT.

6.2. Conversion Option. Each OCRPS Holder shall have the option to require the Company to convert any or all OCRPS held by them into fully paid equity shares of CBT at a pre-money equity valuation of INR 25,00,00,000/- (Rupees Twenty Five Crores only), upon the occurrence of the following circumstances:

- (a) The Promoters and/ or Mr. Christopher Thannhauser failing to invest their pro-rata amount of investment into CBT within the Investment Window , in order to maintain their respective shareholding in CBT; and
- (b) CBT being unable to redeem the OCRPS in accordance with Clause 5 above due to any reason whatsoever.



Provided however that, if the Promoters and/ or Mr. Christopher Thannhauser do not make their pro-rata investment within the Investment Window and the OCRPS have been converted into equity shares of CBT as provided hereinabove, the Promoters and Mr. Christopher Thannhauser shall have the right to purchase equity shares of CBT from the Company such that the Company receives an IRR of 20% on the amount invested by the Company towards subscription of the OCRPS under the provisions of Clause 10.2 of this Agreement at a pre-money equity valuation of INR 25,00,00,000/- (Rupees Twenty Five Crores only) from the date of subscription to the OCRPS till the date of such purchase. The number of equity shares that can be purchased by the Promoters and Mr. Christopher Thannhauser shall be such that the total equity shareholding of the Company on a Fully Diluted Basis in CBT does not go below 51%.

- 6.3. Exercise of Conversion Right and procedure for conversion. An OCRPS Holder may exercise the Conversion Right by (a) delivering a written notice (a "**OCRPS Conversion Notice**") to CBT of its intention to so convert OCRPS held by such OCRPS Holder into equity shares of CBT and (b) surrendering the relevant share certificates representing such OCRPS at the office of CBT together with the OCRPS Conversion Notice. If the equity shares are to be issued in dematerialized form, the OCRPS Holder shall also provide standard information required to allow CBT to issue such shares in dematerialized form. The OCRPS Conversion Notice shall specify the number of OCRPS that such OCRPS Holder elects to convert (such OCRPS referred to as the "**Relevant OCRPS**") and state therein the name or names of any nominee for such OCRPS Holder in which the certificate or certificates for equity shares are to be issued and whether or not such equity shares are to be issued in physical form or dematerialized form.
- 6.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the OCRPS Conversion Notice, CBT shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of equity shares into which the Relevant OCRPS are convertible. Not later than the 7th (seventh) Business Day from the date of the OCRPS Conversion Notice, CBT shall deliver to such OCRPS Holder:
- (a) duly stamped and executed share certificates with respect to the equity shares of CBT issued on conversion of the Relevant OCRPS;
 - (a) certified true copies of all filings necessary to effect and validate the issue of the equity shares, including Form PAS-3;
 - (b) certified true copy of the register of members of CBT showing the OCRPS Holder as the registered owner of the equity shares;
 - (c) duly acknowledged copies of all intimations and filings made by CBT with the RBI in respect of the conversion of the OCRPS and issue of equity shares in lieu thereof; and
 - (d) in the event that the OCRPS Holder has requested in the OCRPS Conversion Notice or otherwise in writing to CBT and has provided all required information to CBT to hold the converted equity shares in a dematerialized form, evidence that such equity shares have been deposited in the account of such OCRPS Holder or to the nominee or nominees of such OCRPS Holder previously identified to CBT in writing accompanied with a beneficiary position statement issued by the concerned depository.

